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THE COMMERCIAL LAWYER
AND
HIS WORK

BY
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PREFACE TO FIRST EDITION.

The motive that supplied the inspiration for this book was not wholly mercenary; nor was it wholly altruistic. It is not that I do not appreciate money and what it may bring, but through all my life and in all my work I have always had in mind the interests of the other fellow as well as my own.

I am hoping that this book may prove helpful to many a man young in the practice of commercial law, and many an older man disheartened by existing conditions. If this book hastens by even a day the dawn of a better era in the commercial law world I will feel that my labor has not been in vain.

I wish it to be distinctly understood that unless other authority is given for statements made in these pages, I myself am wholly responsible for them. I realize that in what I have written I have succeeded in displeasing everybody. However, my writing has one virtue, that of sincerity.

I am conscious of but one desire in connection with this work and that is that I may be of service in the great work of bringing about the day of better business, better compensation, and better service in the field of commercial law and collections.

WILLIAM C. SPRAGUE.

Chicago, May 1918.

DEFINITIONS.

A Commercial Lawyer, as generally understood, is one who specializes in the practice of the commercial branch of the law.

To be a commercial lawyer he does not need to confine himself to this practice—in fact few do, but he must be specially prepared to handle commercial matters, large and small, and be willing to do so.

“Collections” are not commercial law business per se. A layman, who may not practice law, may be lawfully empowered to make a collection and, in so doing, may not be practicing law, though he may easily overstep the bounds of the layman’s privilege.

When a “collection” is placed with a lawyer, it may be assumed to have been so placed because of his professional ability and influence. It then becomes legal work.

The term “collection lawyer” used generally as a term of abuse or ridicule is an unjust aspersion on an honorable line of work. The term gets its bad odor from the fact that laymen handle “collections” and the idea is that the lawyer, in doing this sort of work, is not giving professional service, but lay service. The argument is wrong, because the opposite is true; the layman in the collection business is really invading the lawyer’s time honored field of work.

A “collection” is broadly speaking always based on a breach of contract express or implied. There is a wrong to be righted. The collector, whether he be lawyer or layman, is employed to right the wrong. The profession of the law has immemorially been recognized as the agency through which the weak, the injured, the defenseless may obtain redress. If A fails to pay B, the latter has suffered an injury which the courts are organized to redress. The lawyer is an officer of the court, licensed by the state to advise the injured party,

to act for him, to see that right prevails. The championing of B's cause whether in or out of court in righting the wrong is essentially the lawyer's work.

Collection work has in recent years been taken over in large measure by laymen, either as individuals, or as corporations, and, starting with the simple, perfectly proper relation of A going out for B to induce C to pay B what he owes him, we find A offering to go out for any number of B's to collect from any number of C's by every means even to directing and conducting actual court proceedings, including the employing of lawyers, the giving of legal advice, the advancing of costs and fees, the assuming of the chances of success and failure, and the doing of all things a lawyer only may legally do, excepting actual appearance in court, a handicap circumvented by the device of dummy counsel employed by the layman agency not as the client's counsel but as its own, with whom it divides fees, or to whom it pays a stated salary, retaining to itself all the fees.

A "collection agency" is usually a lay individual or organization that solicits collections, and the legal business growing out of them, from the business world generally with practically no limit as to its authority to act in the enforcement of the claims entrusted to it.

A "collection" is a money claim or demand of one person against another based on a breach of contract or geerally speaking a failure to perform a bounden duty.

The injured party may make his own demand, or he may request or employ a layman to make the demand. The layman so chosen may take such steps as he chooses, to induce payments, even to threats of legal action. He may present the claim, argue its justice, appeal to reason, pride, shame, fear. He may, if authorized so to do, compromise, accept part payment, take promises or security, the same as his principal may do. But the moment he goes beyond this, he invades the field of the lawyer who alone is the agent of the law, li-

censed to give legal advice, to draw legal papers, to institute and conduct legal proceedings.

It may be thought that a lay agent in such a case may do whatever his principal may do; but this is not so, for the principal may employ an attorney; not so the agent, without specific authority. For the law declares that the relation of client and attorney is a relation of personal confidence, which could not be the case were the attorney selected by an agent acting generally and without specific authority.

I have roughly outlined what the lay agent in a simple transaction may not do for the single principal. Much more do my words apply to the agent or agency that holds itself out as ready to serve many principals in limitless transactions.

A "Law List" or "Lawyer's List" or "Legal Directory" (we shall use in this book the first name) is a Directory of Attorneys at Law, and the terms usually refers to a Directory of Attorneys specializing in or holding themselves out as able and willing to practice commercial law which, as I have said, includes the handling of collections.

There are several Law Lists published that claim, and with some degree of right, to publish lawyers' names irrespective of their attitude toward commercial matters. These are very few in number. One directory (Martindale's American Law Directory, published by J. B. Martindale of New York) aims to publish a full list of American and Canadian lawyers. It has no competitor in that field. Law Lists as a rule are Commercial Lawyer Lists.

The business of these Lists is primarily and essentially the printing and disseminating of a list of names for the benefit of the commercial and professional world. Competition among the Lists, in the effort to win the confidence and support of the lawyers whose names appear in them, has introduced into the business of list publishing the somewhat questionable feature of solicit-

ing business for the lawyers whose names are exploited, which brings in the question of ethics, I do not now discuss, and opens the door to some questionable practices which if persisted in must bring the whole business into disrepute, by involving the lawyer in unethical situations, calling in question the integrity of the names listed, and producing unfair standards of advertising values, etc., matters I do no more than here refer to.

“Law Business” as used in these pages is not a term to take exception to. The word “business” is used in its wide sense. I know and recognize the distinction between a business and a profession. But in a general sense, any occupation that means a man’s life work, his chosen field of endeavor, is his business. The term is convenient and I will use it for convenience.

It must be recognized that the layman, by invading the field of the law, and the lawyer, often out of self-defense, by adopting many of the ways of the layman in the securing of business, have both gone a long way toward making indistinct the line of difference between lay and professional work. I hope in this book to give a clear view of the difference between the two fields and to assist both lawyer and layman in observing the distinction in thought and practice.

The term “Forwarder” is used to mean the middleman in the commercial law world—the man who, standing between the client and the attorney, receives the business from the client and passes it on or forwards it to the attorney. He usually makes an attempt first to realize on the demand direct. Failing, he generally selects his own attorney regardless of the client. He customarily exacts and receives from the receiver a division of the fees. This is often all the compensation he receives, though not infrequently he asks and receives a stated sum annually from the client. He very generally receives from clients an allowance by way of fees that is in excess of what he allows the Receiver. The dual re-

lation he thus sustains gives rise to many abuses, concerning which more hereafter.

The forwarder may be a lawyer or a layman. The largest forwarders are as a rule lay-firms or corporations.

The forwarders' great service to the commercial world is their ability to relieve the client of the work of following up his correspondents, their knowledge of efficient methods, and their wide acquaintance with the Bar, which no one client could readily gain. Their great service to the legal world is their ability to solicit business, their influence in getting business promptly out of the clients' hands and into process of collection and their concentrating large volumes of business into a few supposedly competent hands.

The disadvantages of the middleman system are not few and will be treated fully later.

The "Receiver" is but another name for the individual or firm that actually deals with the debtor—the man who is expected to do the execution and get the money. The "Receiver" is usually an attorney, but a forwarder may employ a layman or a lay-agency to do his work.

A house attorney or agency is a lawyer or layman employed by a house or group of houses on a salary or commission to handle its collections and law business. Such individuals are not to be considered as forwarders, but simply as hired employes, differing nothing in kind, however much in degree, from the client's credit man or his bookkeeper.

House agencies and attorneys are not entitled to a division of fees.

House agencies are often merely names for the collection or bookkeeping departments of business houses. They have no real existence as agencies. Attorneys unwittingly allowing them a division of their fees are being hoodwinked.

A "Reporting Agency" sells commercial reports. Strictly speaking, it does not make collections.

A "Collecting Agency" or "Collection Agency" generally speaking confines its work to collecting delinquent claims.

A "Mercantile Agency" generally does both collecting and reporting.

A "Trade Agency" is an agency that confines its collecting or reporting (generally both) to some one or more trades.

An Adjustment Agency or Company may be simply a collection agency. As generally recognized the term adjustment means something more than a collection.

A collector, lay or professional, sails as a rule under no false name. The debtor recognizes him as but the agent of the client. An adjuster often, though not always, approaches the debtor in the guise of the client's hired man, coming direct from the client's place of business. His aim is to impress the debtor with the idea that the client would not think of employing outside assistance in so confidential a matter as that which he comes to adjust. The adjuster is usually the expert traveling collector of an adjustment agency which receives a per diem for his time and service. In such cases he is in no way identified with the client's business, excepting as related to this particular item.

"Associate" (or associated) "Offices" is a name given to groups of law offices or groups of agencies bound together by agreement to do or not to do certain things, and usually there is an arrangement for an interchange of business.

"Minimum Fee" means the least fee allowable. It does not mean that a larger fee cannot be charged, but it does mean that a smaller cannot be charged.

"Uniform Rates," in connection with fees, refers to a much to be desired schedule of fees on commercial matters that shall be universally recognized and adopted as standard.

THE CHARACTER AND SCOPE OF THE COMMERCIAL PRACTICE.

The commercial practice is the most nearly all-embracing specialty in the field of the law. In its pursuit the lawyer obtains an experience the widest possible, and his talents have most varied play.

This specialty invades the field of the real-estate lawyer, the bankruptcy lawyer, the banking lawyer, the corporation lawyer and even that of the criminal lawyer.

This sort of practice requires a keen knowledge of men and of business. It requires a long list of attributes, not needed in other lines of professional work, by the lack of any one of which the lawyer may be only a partial success.

The character of the work is clean. The lawyer's clients are business men. If he deals with criminals and crooks at all it is generally opposed to them and not in their behalf.

The work is interesting and never monotonous, as the lawyer comes in contact with a large part of the community and every fresh item of business presents a new matter of interest.

The work partakes of the nature of a mail-order business, which is a peculiarly fascinating work. What would you think on reaching your office in the morning if you found a dozen new clients awaiting you, yet in your morning mail, if you are practicing in a stirring community, are ten or a dozen new clients represented by items of business, sent you through channels many of which are unknown to you.

And unlike the dozen clients who, standing without your door, demanding your immediate attention, your mail clients are quiet, peaceful, patient, and you are privileged to take up their work in a systematic and orderly way, and in the way and the time you choose.

There is an exhilaration in the experience of the active, successful commercial lawyer, since the unexpected is continually happening and no two days are alike.

The work is of such a character that with each item of business the lawyer is brought into contact with at least two persons—the creditor and the debtor. The opportunity thus given, by even the most inconsequential matter, to enlarge one's acquaintance and clientele by adroit handling of both parties is too often lost sight of.

The clients of the Commercial Lawyer may be, and generally are, continuous in their patronage. A man may in a life time have one damage suit, or one real estate difficulty, or one divorce, or be charged with one crime. As a client he comes once and no more. Many thousands of men and women never see the inside of a law office. The business house that becomes the commercial lawyer's client often comes to be a very Tennyson's brook, going on forever, with business at every rising of the sun. I recall one such client in my early practice who mailed me fresh, crisp farmers' paper as fast as it came back from banks. Every morning a packet of these notes reached my desk. They were gilt-edged. That client paid my rent, office expenses, and a large part of my living. Compared with the occasional client with his timorous step and suspicious eye, making his quadrennial visit to a law office, and probably a different office with every visit, this business house was as a *filet mignon* to a bone polished by a bull pup.

But we must not think of the Commercial Lawyer's work as all cream and no skimmed milk. On the contrary a large part of what comes to the Commercial Lawyer's desk is skimmed milk and soured at that.

We hope to be able to tell the reason for the presence of much junk in the Lawyer's mail and to suggest how it may be utilized. Suffice it to say now, our ex-

perience is that nothing is so bad that some good may not come from it by the use of judgment and diplomacy.

The work of the Commercial Lawyer is broadening in that he is serving men and institutions of widely varying character in widely varying locations. He is representing today a Florida orange grower in attaching a carload of oranges. He is tomorrow corresponding with a Chicago merchant as to the terms of sale of a shipment of clothing. The next day he is representing a farm implement house in New York in collecting instalments unpaid on a threshing outfit. His correspondence is with a great variety of men on a great variety of subjects. This is not true of any other class of lawyers.

The scope of the Commercial Lawyer's work is limitless as to territory. He may wake tomorrow and find himself employed by clients in the Philippines, of whom he never dreamt. He may, and if he is an active Commercial Lawyer in a large city, be compelled to read through translators commissions sent him by individuals who write a language foreign to his own.

In some cities there are Commercial Lawyers who have come to so monopolize the commercial practice that there is little chance of anything arising in any part of the world affecting their fellow townsmen without it coming into their hands. In other words, the world is their client, and if they do not get the business it is because the world has nothing to scrap over in that particular locality.

The Commercial Lawyer's work, if it does not require travel, invites it. The time comes when the lawyer yearns to see the world for which he has been doing business at long range. He wants that the name of a valued client in Chicago or New York shall be more than a name. He knows, too, that the great business centers teem with business and with up-to-date business men using up-to-date methods. He wants to rub

elbows with the men who talk to him through the mail, and come to closer understandings and wider employment.

The result is that many lawyers have the travel habit well fixed. They may be expected to visit the centers of commerce every so often. The process is broadening. These men go home with new spirit and new purpose and, oftentimes, with new clients and business—always with a higher regard for the importance of their work.

The Commercial Law League of America has been a God-send to the Commercial Lawyer—Forwarder and Receiver alike—in offering the opportunities for an annual outing under pleasing auspices, where one may meet not one, two or three of his correspondents in a day, but scores of them and where, if he is a good fellow, he may annex hundreds of friends and prospective business clients without the asking.

I have seen, in the twenty-four years of the League's history, the process of individual growth going on from year to year as I have met these men annually. The young man who first came to a convention timidly, keeping himself modestly in the background, is now at the front, genial, buoyant, popular—a leader in convention activities. The work has broadened the man.

Treadmill work narrows a man. The shoemaker at his bench, the tailor at his needle, the bookkeeper at his books must struggle against vast temptations to mental slothfulness. The active, ever changing work of the Commercial Lawyer, except in rare instances where the lawyer is naturally a recluse, prevents the growing of the shell and keeps the man alert to the end.

The scope of the Commercial Lawyer's practice, considering the kind of work it entails, is, as we have said, very wide. It embraces the handling of mercantile claims, the handling of matters for or against bankrupts, the adjustment of disputes in the business world, the handling of bills of sale, mortgages and all

forms of securities, the advising in every form of business transaction, the reorganizing of business, the stopping of goods in transit, the ferreting out and punishing of fraud and a vast variety of other employment.

These are some of the regular lines of effort which the Commercial Lawyer must follow. But every form of proceeding at law falls occasionally to his lot. So that one speaks within bounds when he says the Commercial Lawyer must of all lawyers be the nearest to the "all-around lawyer."

Litigation must inevitably grow out of the Commercial Lawyer's work, and no Commercial Lawyer is worthy of the name who cannot with reasonable skill present his client's case in court. Every well organized law firm must have at least one competent court lawyer in its membership.

The character of the work is such that at least one member should be a lawyer with a business head. Law-yeas as a class have little care for system and method as practiced in up-to-date business offices. Their training is away from this. Occasionally a lawyer appears who would have made a greater success as a business man than as a lawyer. Such a member of a commercial law firm is invaluable.

Some lawyers make great successes in specializing in certain lines of commercial business. These must, in all cases, be lawyers in the large centers. While these lawyers hold themselves out as in the general commercial practice, their clientele is known to be almost wholly in particular lines, as woollens, electrical goods, boots and shoes, etc. These specialties are adopted usually by reason of the lawyer's close acquaintance or association with an organization in the particular line. He becomes the recognized counsel of the association and its members are encouraged to give him their work.

In a word, the scope and character of the lawyer's commercial practice is very much what he makes it. As

with every other class of professional man, the Commercial Lawyer gets largely what he goes after, and this we say with no idea of suggesting the unethical. Some physicians have a slum practice, and some a bon-ton practice; so some Commercial Lawyers are known to attract to themselves the poorer class of business, while others attract only the better. But more of this later.

Mr. Henry Deutsch of Minneapolis, an ex-president of the Commercial Law League of America, has written on this subject, and in conclusion we quote freely from what he says:

"Like all activities, this field presents the opportunity for choice which must be exercised by the neophyte early in his career, and his goal, ambition and ideals must indicate the pathway which he will pursue.

"From whatever standpoint considered, the commercial law practice presents the most alluring attractions, particularly to the young man just entering upon his career and eager not only to make rapid progress, but to make his way financially, as he progresses either professionally or in a business way.

"In the first place, the commercial law practice offers to the young man the fulfillment of his first desire—that is, the opportunity to have business and in it to demonstrate his capacity and ability. Secondly, as a corollary thereto, it opens for him the opportunity, almost immediately, to obtain that actual practice and experience which is the most necessary equipment for rounding out the theoretical knowledge obtained either in the law school or in other legal study. Thirdly, it offers immediate returns financially, and last, but not least, in the preliminary experience of the young lawyer it opens to him possibilities of contact with the business of his whole country as contrasted with the ordinary limitations of his local practice.

"To these advantages might be added the opportunities, particularly emphasized and made possible through membership in the Commercial Law League, for meeting and becoming acquainted with hundreds of lawyers, list men, forwarders and other desirable connections throughout the United States, all of which constitute a most valuable asset, not only from the financial and professional standpoint, but also from the personal side, for the acquaintance and friendships thus obtained in the experience of the older practitioners have become valued as indispensable and beyond price.

"Concretely, the scope of commercial law practice is almost as extensive as the law itself, because its practice enters into practically all human activities so far as they are governed by the practices of law. Specifically, we may fairly say that contained within the field of commercial law practice is every branch of the law, with only the possible exception of that of domestic

relations, patents and copyrights, criminal law, admiralty and the purely technically limited real estate law, although into all of these fields does the commercial lawyer find occasion to enter at some time or other in his experience. The ramifications of his practice, therefore, extend into practically every known field of the law, and thus he cannot be said to specialize in a sense that he limits his practice to particular lines of a profession, although in a broader sense he is really a specialist.

"Opportunity knocks at his door from all directions. What on its face may seem to be only an ordinary collection may take him into the bankruptcy court, in which he may find himself in the most varied practice, as that of attorney for the petitioning creditor, in which he becomes involved in all the intricacies of the bankruptcy practice, which raises the interesting questions of pleadings, fraudulent conveyances, concealment of property, preferences, Federal jurisdiction and procedure, and may culminate in the actual trial practice necessary for an adjudication, which lines must bring out skill and ability equal to that necessary in the best conducted trial of cases in any court. He may be attorney for the debtor, in which case his skill would be demanded in the defense of his client against involuntary petition and against claims of fraud. Possibly, ultimately, either as attorney for creditors, or debtor, he will be called into the criminal court for the conduct of or defense against prosecution under that branch of the bankruptcy law. As attorney for trustee, he may be brought into both the common-law and the equity branches of the court in actions to recover moneys due the estate, actions to set aside preferences and fraudulent conveyances, actions to determine title as between the trustee and creditors claiming to have prior right to property involved in the bankrupt estate, questions of exemptions under the state law, rights of creditors occupying inconsistent positions, the question of validity, preference of priorities of securities, liens or other encumbrance rights, and practically the whole gamut of legal questions, which will test both his ingenuity and his technical knowledge in almost every branch of the law. On the other hand, if the claim in his hands does not become involved in the bankruptcy court, it may present interesting questions either in or out of court, involving the knowledge of both the fundamental principles and the procedure and practice of law in nearly every one of its branches. The three large branches of the law, contracts, negotiable instruments and sales, coupled with real estate and chattel mortgages, conditional sales, liens, bailments and agency, fall naturally into the lines of commercial practice. The present tendency towards concentration of business and the tremendous activity of corporations in business life necessarily brings the commercial lawyer into very intimate and close contact with corporations and the necessity of being cognizant of and proficient in the practice governing those associations and the procedure and practice in connection therewith.

"The adjustment of business items brings the commercial lawyer necessarily into relations with those problems which must constantly arise in the adjustment of accounts and otherwise, involving conveyances, settlement of estates and other matters which very naturally bring within the purview of the commercial

law practice of laws related to real property, probate of estates, and even oftentimes indirectly, into domestic relations and other branches of law which at first blush seem totally unrelated to commercial law practice. In other words, therefore, the commercial law practice may be deemed the most heterogeneous and cosmopolitan branch of legal practice, being practically all-embracing and all-inclusive.

"In addition to the strictly technical lines, it branches out still further, taking in the matter of adjustment, compromise, arbitration, bookkeeping, accounting, scientific management of business, reorganization of business and corporations. In fact, the commercial lawyer stands in relation to legal practice much in the same position held by the old family physician who needed to be equipped to take care of every ill. From the foregoing it might be assumed that the wide scope of commercial practice must necessarily limit the expectations of the practitioner along the lines of the development of real legal talent, and the upbuilding of a desirable legal practice. It is in connection with this phase of the subject that the line of demarcation or choice rests entirely with the commercial lawyer. The commercial law practice offers opportunities without limit. Where those opportunities will lead depends on the lines of advantage taken thereof. The lawyer must determine whether he desires simply to make a living, or, more than that, a competence out of the practice as his only aim, or whether in addition thereto he desires to attain to a position of standing in his profession, and to be recognized as a lawyer as well as a mere business or collection man. It is purely a question of ideals. If one is satisfied simply with the question of making money, he can do so in the commercial practice probably much easier than in any other lines of practice and with quicker personal results. In that event, however, he must be content to be permanently recorded as merely a collection lawyer, divorced from the honor and standing to which so many members of the bar have attained in their professional and public lives. On the other hand, if he desires to choose the better course of maintaining his professional ideals and standards, but at the same time obtain the advantages that inhere in the commercial law practice, the way is just as open, although somewhat narrower, and not quite as quickly run. In other words, the choice lies between treating the commercial practice as a business or as a profession. The former limits itself; the latter combines the two in a broader and wider field.

"In this larger vision, the lawyer gains all the advantages of the commercial practice, but subordinates the details of the business portion to his professional ideals and standards. The working out of the practice makes his professional ideals primary, and the matter of business incidental; although the latter necessarily follows the former. The lawyer who becomes merely a drudge and slave to the business details of the commercial practice seldom rises above the level of the humdrum routine features of that practice, and never attains eminence in the professional sphere. The lawyer, however, who conducts his practice so that the details and routine handling of claims are left to subordinates, and devotes his time to the supervision of his office and the working out of the professional questions and matters which come before

him, keeps himself removed from the danger of becoming and being known as a mere collection agent, retains his professional ideals and possibilities, and makes himself eligible to the attainment of those honors and distinctions which so often fall to the legal profession. At the same time he is opening the avenues for a most extensive and lucrative practice. Not only do the opportunities in the practice of commercial law give almost unlimited scope to the lawyer's activities in a professional way, but they likewise offer the means for a general all-around liberal education, particularly along business, economic and political lines, for the points of contact, instead of being limited to a localized narrow horizon, may be made practically nation—if not world—wide, and through the channels formed, bring to the lawyer the streams not only of business and the emoluments thereof, but the much desired asset of wide acquaintanceship, which, when properly cultivated, makes possible the formation of the many delightful and lasting friendships which have resulted in the experiences of those having membership in the Commercial Law League.

"To epitomize, then, the commercial law practice offers an almost unlimited field for the exercise of business and professional ability and capacity, limited only by choice of the individual. In addition thereto, and beyond the scope of any other field of legal practice, it affords unnumbered opportunities for legitimate publicity and wide acquaintanceship. The work is always interesting and full of diversified activity. For the young man it is the stepping stone to the widest fields which ambition desires."

COMMERCIAL LAW AS A PROFITABLE FIELD OF ENDEAVOR.

I cannot say that lawyers as a class are money makers. A few years ago I made some study of this matter and here is what I found in several typical states of the United States:

Not to be exact, there were 800 lawyers in South Carolina.

Fifteen of these, counting two who had retired, were worth over \$100,000.

Data are not at hand to show how much of this wealth, fabulous for a lawyer, came by the way of the practice of the law, and how much by inheritance, good investment, etc.

Nine were Charleston men.

About the same number could qualify to over \$50,000, some of them close up to the \$100,000 mark.

About 180 South Carolina lawyers had from \$1,000 to \$2,000.

You could count on 171 as having from \$2,000 to \$5,000.

One hundred and twenty-two claimed from \$5,000 to \$10,000. Seventy-three from \$10,000 to \$20,000, fifty-six from \$20,000 to \$30,000, twenty-one from \$30,000 to \$50,000.

About one out of four and a half lawyers in the state had practically nothing, the number being 180.

The average wealth of the lawyers of South Carolina was not far from \$10,000. But subtracting the wealth of 38, the average ran about \$6,000. Subtracting 100 of the topnotchers, the average for the remaining 700 was about \$3,500.

I was interested to learn the financial standing of the South Carolina Lawyers who advertised in the Legal Directories and Law Lists. To my surprise I found that in one Directory 92 lawyers of the state paid money for advertising and that the average wealth of these

lawyers was in excess of \$25,000 or two and a half as much as the average of the lawyers of the state generally. In other words, the "get-there" lawyers are of the same brand in South Carolina as elsewhere.

Further, five of the thirteen lawyers of the state in active practice who had over \$100,000, were among these advertisers, and nine of the fourteen who had from \$50,000 to \$100,000. Only one of the 180 who had nothing was found among the advertisers, and only 16 of the 171 who had from \$1,000 to \$2,000.

Charleston, with a population of 58,800, had about 70 lawyers, or one in 840.

The Charleston bar is better than the average. About one-half were men over 50 years of age and about the same number were men of very good ability.

Only 17 Charleston lawyers could be said to have practically nothing in the way of money and property, while nine were worth over \$100,000.

Columbia had some 90 lawyers, with a population of 26,300, or one to 290. As a natural result we find about one in three of the lawyers with nothing. Indeed, 70 of the 90 had less than \$5,000, and 50 had less than \$2,000. One had over \$100,000 and three from \$50,000 to \$100,000. Leave out 25 of the topnotchers and the remainder averages less than \$1,500.

There were 12 lawyers in Columbia who advertised in one of the Legal Directories before me. Their average wealth was about \$20,000, as against \$7,300 for the city generally and as against \$1,500, the average for the non-advertiser.

The bar of Sumter is well to do financially. Its 22 members included one with over \$100,000, four with between \$50,000 and \$100,000, one with between \$30,000 and \$50,000, two with between \$20,000 and \$30,000, one with from \$10,000 to \$20,000, one with from \$5,000 to \$10,000, four from \$2,000 to \$5,000, two from \$1,000 to \$2,000, and six had nothing. Only the wealthiest ad-

vertised in the directories. All but three of those who could be said to be worth nothing were comparatively newcomers at the bar.

Two hundred and eighteen of South Carolina's 800 lawyers were over 50 years of age, 22 of these had over \$50,000, 31 had over \$30,000, 118 had over \$5,000, 47 had less than \$2,000; that is, one in five; 24 had nothing.

I studied South Dakota:

In round numbers there were 700 lawyers practicing in South Dakota. Seven of these had over \$100,000.

There were 15 who could count up from \$50,000 to \$100,000.

Thirty-two could qualify for between \$30,000 and \$50,000, 28 for between \$20,000 and \$30,000, 77 for from \$10,000 to \$20,000, 91 from \$5,000 to \$10,000, 207 for from \$2,000 to \$5,000, 116 for from \$1,000 to \$2,000.

One hundred and sixteen, about one in six, had practically nothing.

The average wealth of South Dakota lawyers was about \$9,000. Drop off the 82 topnotchers and the average for the remaining 618 was about \$4,500.

I found in just one of the law lists 120 South Dakota lawyers advertising; that is, one in about six of the whole number—in just one directory, bear in mind. They were not the poorest lawyers in the State; on the contrary they were among the best. Their average wealth was \$16,500 or thereabouts. Not one of the 113 who had nothing accumulated were advertisers. As I have said, outside of the top 82, the average wealth of the South Dakota lawyer was about \$4,500.

Aberdeen had a population of 10,800 and 35 lawyers in active practice—one to about 300. Contrary to what one might expect in this comparatively new country, half of the members of this bar were over 50 years of age.

Sioux Falls had a population of 14,000 and had 46 lawyers—one in 306.

Of the 46, 21 paid money to a single law list. These 21 embraced almost all the leading firms of the city.

The bar of Sioux Falls was found exceptionally good, ranking high financially and professionally. There were not more than four or five lawyers in the city who could not claim to be in the comfortable class. There were no men of great wealth, but 20 were entitled to go in over the \$10,000 crowd.

Arizona has about 275 lawyers, or one lawyer to every 706 of its inhabitants. Just about one-half, 137, were worth less than \$2,000, while one-fourth had practically nothing. Only 19 had more than \$20,000 and only 38 over \$10,000. Thirty-eight of Arizona's lawyers have a total of \$1,220,000 and the remaining 237 had \$504,000 divided among them, with an average of about \$2,120 each. There were three who were rated at over \$100,000 each, and two had from \$50,000 to \$100,000. These raise the average for all Arizona lawyers, rich and poor to \$6,265.

As compared with other callings the law does not rank high as a money-making field of effort. Statistics as to the earnings of Princeton graduates were recently published. The table of incomes gives the following results:

"Business for the first ten years gave the following average incomes from the first to the eleventh: \$705.54, \$934.42, \$1,196.19, \$1,956.61, \$2,402.77, \$2,860.30, \$2,756.50, \$3,073.64, \$3,861.46, \$4,684.69.

"Teachers for the first ten years earned the following average incomes each year: \$784.72, \$839.70, \$1,005.58, \$1,110, \$1,215.35, \$1,404.16, \$1,532.08, \$1,715.38, \$1,729.16, \$1,779.16.

"The clergymen's averages began the third year after graduation and were: \$520, \$1,011.25, \$1,187.33, \$1,242.85, \$1,421.42, \$1,550, \$1,607.14, \$1,714.25.

"Lawyers earned during the ten years beginning at once after graduation: \$355.20, \$610.16, \$900, \$1,389.41,

\$2,094.61, \$2,890.10, \$3,089.16, \$3,344.18, \$4,140.08, \$4,994.88.

"Physicians earned the following, beginning the second year after graduation from Princeton: \$1,106.25, \$1,714.87, \$1,471.15, \$1,366.22, \$1,503.60, \$2,116.13, \$2,434.48, \$3,094.45.

"Engineers earned \$648.88, \$1,029.50, \$1,218, \$1,328, .18, \$1,878.18, \$2,620, \$2,387.55, \$2,707, \$2,700, \$3,002.

"The average incomes of journalists were \$741.25, \$825, \$1,096.66, \$1,213.33, \$1,413, \$1,412.50, \$1,740, \$1,983.75, \$2,115.

"The average incomes from other occupations, such as farming, chemistry, forestry, etc., were as follows: \$766.53, \$878.57, \$1,016.42, \$1,409.23, \$1,758.33, \$1,969.23, \$2,032.30, \$2,684.61, \$2,830, \$3,025.38.

This may be said of the law, that more roads into wealth and preferment branch out from it than is the case with any other one kind of work. No doubt the wealth ascribed to the highly rated lawyers in the statistics given above is wealth inherited or made from investments. Seldom is a fortune made from the practice of the law alone.

Of the law specialties the commercial specialty gives the quickest introduction to an income. Young men most speedily get returns from this sort of practice than from any other. It is no unusual thing for a hustling young Commercial Lawyer to be paying his way within a year of his start, and often within five years he is supporting an office and a home comfortably. I could give instance after instance to illustrate. Every city and many country communities can supply them.

If you will run down the list of the representatives of the leading law directories, and these are, almost to a man, Commercial Lawyers, and go to Martindale's for their ratings you will find them rated at least b. v., and usually a. v.; you will discover that in the matter of financial worth they average way above the general

average for the Bar of the town. This is particularly true of the Commercial Lawyers outside of the cosmopolitan centers. I have shown this in my South Carolina, South Dakota and Arizona statistics.

Then, too, it is not to be forgotten that the Commercial Lawyer as a class is younger in years than is any other class. All the more noteworthy then that he is given a higher rating by an unprejudiced authority.

One cannot escape the conclusion therefore that for quick attainment of a fair income the Commercial Law specialty is the most desirable.

The specialty may easily be made to produce from the start. In any other line there is more or less waiting for patronage, as clientage is generally in fixed channels. The Commercial client is more fluent. He is more restless. He usually has many commissions to give and he is inclined to try experiments. There is always a hope that he may yet light on some one who can get blood from turnips. He therefore in a sense invites the newcomer with his ambitions, his energy and his high hopes.

My own beginnings are fresh in my memory. How long I might have waited for the chance client with his piece of real law business—a case to be tried, a corporation to be organized, a will to be drawn—I do not know, but I do know that letting it be known at once that commercial work was welcome and that I courted but a trial, I was permitted to open my Business-Received docket within thirty days after I set foot in the city of my adoption—a stranger in a strange land.

No business breeds faster than a commercial business well taken care of. Trace back your business to its sources and learn how nearly related each important item is to some other and that other to still another. I took a desperate claim against a man who was stealing a threshing outfit from the manufacturers, having given notes and then disappearing from the community with

the machinery. He was worthless and was doing work somewhere among the small farmers in the newly settled land known as "the thumb" in Michigan. He was collecting his pay from the farmers, drinking it up and protecting himself from interference by a crew of rough cut-throats like himself. I took this desperate matter as a "trial," played detective, found the gang, came near being shot, got the goods, had them brought to Port Huron, advertised them for sale, got a buyer, took cash and notes and a purchase money mortgage, foreclosed the mortgage, traded the machine for a Detroit suburban lot, sold the lot, and in the end turned in to my client, less my fee, nearly the first purchase price. Result, I became attorney for the Springfield Engine and Thresher Co., who later introduced me to Gaar, Scott & Co. of Richmond, Ind., and out of it all I came to get work from at least a half-dozen thresher concerns and among them a very profitable client, the Mount Vernon Iron Works. Just an illustration! Every lawyer can duplicate it over and over.

The rapid rise of many young men in this specialty is truly remarkable. And generally they are not young men of startling ability in any particular direction. They do not shine especially as advocates. They are not as a rule of the class termed trial lawyers. They have no great talent as counselors. But they are endowed with that something or those some things that go to make a business man's lawyer—they are business men with legal training, or lawyers with business instinct—put it whichever way you please.

As to the opportunities of the Commercial Lawyer to make money on the side I need not dwell. There is at least one millionaire, perhaps several in Detroit who, when I was a young practitioner there, were among the live young Commercial Lawyers of the town. The automobile was born. Lawyers were in at the feeble beginnings. Some had to take stock for fees. That stock

has produced in some cases fabulous wealth. The beginning of many great things in a business way have been small. The pioneers were men of small means. The young lawyers came in naturally for employment for they were not avaricious and were not over particular as to the class of client and the size of the fee. They wanted business. They were in on the ground floor. No such opportunity comes to the criminal lawyer, the divorce lawyer, the real estate lawyer.

I am in my position as secretary of the C. L. L. A. frequently in receipt of word from its members boasting in a permissible way of a big fee growing out of their work. Within the past week I learned of a fee in a big western city of \$40,000, earned and collected by a league member, and in the same week another member displayed in my office a check for \$11,000 received as a fee. Big fees are not unknown to the Commercial Lawyer.

The average fee of the Commercial Lawyer is small. He makes his money on the storekeeper's plan of "quick sales and small profits." He may work for months on a small item that brings him five dollars (the new minimum commercial fee), or he may write a letter today and tomorrow enter up a fee of a hundred dollars. He averages his service and his fees and finds that many mickles truly make a muckle.

There is a historic case in Detroit of an old lawyer who practically had but one case in his lifetime. He spent his whole life and a fortune winning it. When he won it he died. How different the work of the prosperous Commercial Lawyer, who rarely sees a day go by that his books do not show business settled and fees earned—sometimes many fees.

There is no other specialty that once it is mastered by its votary is so steadily productive. The poor we have always with us, so also the mercantile claim is always with us. No system of credits has ever been devised that will beat the dishonest buyer, the incompe-

tent business man, the reckless and venturesome dealer, and no system will ever be devised that will turn out infallible credit men and check extravagant selling. There has always been the mercantile claim and there always will be. The Commercial Lawyer's work is sure. It may vary in character and amount. It may get into the hands of his competitors among the laymen. It may puzzle him by its freakish behavior—sometimes pushing him to the limit to take care of it and then giving him a fall by a sudden dropping off in volume and character. But the business comes and rarely will he find on careful comparison from year to year that it fails to grow by its own momentum.

I have not written of the compensations in the commercial practice in the way of the work itself, the training it gives, the wide acquaintance, the opportunities for enlarged usefulness. My only aim in this chapter has been to show that its financial returns are on the average high, and that the game need not be a waiting one.

Do not be too much concerned about compensation. Do your work well, regardless of reward. If you are properly paid, it is well. But if you are not, then do not write mean things of yourself because your toil is not paid for according to its value. The makers of soap have always been better paid, in dollars and cents, than the makers of men. Horse trainers are better paid than the instructors of youth. Poetry has never paid so well as pork. No college president last year was paid so much as the champion prize fighter.

Do not measure the value of what you do by the amount of money you get for doing it. There are excellencies removed far above and beyond any monetary valuations. It is to man's highest honor that while his life grows in highest usefulness it may decrease in money-making power. It is an unspeakable tragedy that while a man's money bags increase his manhood may decrease.

THE DIGNITY OF THE COMMERCIAL PRACTICE

Perhaps no work of the lawyer, which in itself is honest and honestly done, may be said to be undignified or unworthy of him.

Yet there are grades of legal work requiring varying degrees of legal ability, so that in a sense these grades vary in importance and dignity.

Measured by the results of his labors and their importance in the field of business, and considering the condition that would follow the abolition of the commercial lawyer as a class, no specialist in the law ranks higher than he.

Considered from the viewpoint of his clientele, embracing as it does the business man on whom rests the prosperity of a great commercial nation, no other class of lawyers takes precedence to him.

Looked at from the viewpoint of the trust imposed in him, he stands pre-eminent. In large measure without bond or without surety, save his professional honor, he handles billions of the wealth of the business world and with a fidelity most remarkable.

Looked at from the viewpoint of his standing in the community, his activity in all social and civic lines, his more than average prosperity when compared with his brethren of the profession, his position is unapproached.

Considered from the viewpoint of the cleanliness of his work, its freedom from chicanery and fraud, the almost uniform justice of his cause (and I am speaking now of his work as a whole and of the commercial lawyer as a class), no other branch of the law reaches higher place.

From the viewpoint of results achieved by him for the world of business, the Commercial Lawyer's position is exceedingly important.

Compared with the criminal lawyer, the damage suit lawyer, the corporation lawyer (who by the way is usually a commercial lawyer specializing a little finer),

the real estate lawyer, the divorce lawyer, the patent lawyer, the trial lawyer so called, the office counsellor—none of these occupy so wide a stage and bring results so generally useful to the world at large as does the Commercial Lawyer.

The taint on the name, common in some quarters, is due to ignorance in some cases, to pique in others. The Commercial Lawyer to many and particularly to the debtor class, is known only as a claim collector. This is often due to prejudice and spite on the part of people who have been compelled by the commercial lawyer to right a wrong; to envy often, on the part, we are sorry to say, of fellow lawyers who look with mingled feelings of wonder and bitterness upon a young, energetic lawyer who rises quickly to prominence in the community and controls its commercial business and through it much of its other business. We have often heard the "Commercial Lawyer" referred to sneeringly by his fellow as a "collection lawyer." If analyzed the sneer has behind it a large modicum of envy.

We all forget that the lawyer who compels a man to pay an honest debt, however small, is doing nothing in kind different from the lawyer who is sent abroad by a great nation to collect millions from a debtor nation. Both are Commercial Lawyers. When the government requires such work done it usually chooses men of practical experience in the Commercial Law practice. Recall the work in this line of Don M. Dickinson of Michigan, who in his early practice was a Commercial Lawyer, and did not balk at collecting small claims and when chosen to collect for a great nation from a great nation a huge sum went direct from his office that was known as one of the great Commercial Law offices of Detroit.

The dignity of work, when not inherently undignified, is what we make it. There are men who disgrace the commercial practice. So are there many in every line—

bankers, merchants, physicians, dentists, who besmirch their calling. There are Commercial Lawyers who stoop to underhand, disreputable, unethical practices, but they are so few they should not be allowed to fix the character of the class.

The overwhelming majority of the more than 20,000 commercial lawyers of the United States and Canada are clean, able and honorable men who deserve the good opinion and patronage of the business public.

Words, oral or in print, condemning the bankruptcy lawyer, for instance, when intended to reflect on lawyers as a class are born of ignorance or spite or both. And there is much of this.

Our observation of Commercial Lawyers as a class, extending over thirty years of wide and intimate acquaintance with them, is that they are men of good business and personal habits, well educated by travel, study and close contact with men of affairs, alert and prosperous, and honorable and straightforward in their dealings.

We refuse to conclude that because here and there one goes wrong the whole class is untrustworthy, any more than we conclude from the defalcations of one banker that every other banker is a rascal and a subject of just suspicion.

When we come to talk or write about lawyers, as about other folks, we are too much inclined to generalize. We are apt to think ill of the man whose position is opposed to our own on a matter of either public or private interest. There are bad men who are lawyers. But, in these days, if you'll scratch these fellows you will find that they are rather business men than lawyers. Lawyers are, unfortunately, held in disesteem mostly because they are for the other fellow against us. We don't get mad at our own lawyer, except when he loses our case, and then, like as not, we condemn him for not having turned some trick of the

trade in our behalf that we would condemn, if done for another. I do not believe in miscellaneous denunciation of any profession, class or creed. I am convinced that the lawyer, taking him by himself and at large, will average up with the rest of us. There are few of us black, fewer snow white; most of us are a rather dull gray.

The lawyer is good and bad, like the rest of mankind. We don't remember what he does for the poor and weak, when we are hammering him for what he does for the rich and strong. He makes many a long hard fight for no fee at all, and he fights as hard for nothing as he does for a fancy fee. We forget what the lawyer does for rights when we think of what he does for privilege. The best off-hand thing I can think of to say concerning the lawyer is that he must be pretty fine and good in the main, by token of what a despicable creature he can become when he falls from grace. I don't think that, upon the whole, the legal profession is more debased by contemporary commercialism than is any other profession.

I have noticed that the judicial ermine falls on the shoulders oftener of the Commercial Lawyer than it does on the shoulders of lawyers of any other class.

I have noticed that political preferment is his natural heritage. The National Congress and State Legislatures are alive with men from the Commercial Law field. Lawyers from other branches of the practice are comparatively few in number. As I write, Will. H. Hays, a Commercial Lawyer, member of the Commercial Law League of America, has been chosen chairman of the Republican National Committee.

In choosing judges and legislators, it is not usual to go to a class lacking in dignity of station. The recognition of the essential dignity and importance of the Commercial Lawyer's worth is here bestowed unconsciously and oftentimes by the very men who under other

circumstances and conditions characterize him by epithets far from complimentary.

The ancient origin, the history and progress of Commercial Law, as it has developed with the growth of the world's commerce, itself dignifies the lawyer who practices this branch.

The lives and work of the great Commercial Lawyers of our own country whose words and deeds are indelibly engraved in our constitutions, statute books, and court decisions dignify the name.

What is needed among Commercial Lawyers themselves is a higher estimate of the dignity of their calling. Catching the echo of slurs on this branch of the practice, they have often come unconsciously to feel a suspicion of their own work, as not being worthy of their best efforts. We have often heard a certain lawyer, well known and prosperous during his life-time and now dead, bewail the fact that while he had prospered he never could be known as other than a Commercial Lawyer, and many and devious were the ways he sought to escape the characterization. Commercial Law had made him all that he was. It had given him money, standing, influence, friends—what more could he want? But he had caught the drift of ignorant comment and vicious slur and had come to the place where he wanted to kick from under him the sturdy and reliable ladder by which he had risen.

The Commercial Law League of America has done much to elevate this branch of the profession and dignify it. The League has given it a collective voice. It has brought individual practitioners together and given them a mutual acquaintance and friendship and shown them that they are not alone in the work but that they stand shoulder to shoulder with thousands of good and able men.

Hundreds of men have gone home from the national conventions of the League with a new spirit of pride in

their work, new resolves to improve, new ideas of growth and usefulness, and above all greater respect for their calling and for themselves as its exponents and representatives.

As a further evidence of the inherent dignity of the commercial practice I would call attention to the names of the men prominent in Bar Associations throughout the country. It will be found that in most states officers and committees are chosen largely from the Commercial Lawyer class—an unintentional testimonial to the character of the men who practice this specialty.

Commercial Lawyers may maintain the dignity of their calling by dignified deportment in their intercourse with clients and with the public; by defending the good name of their specialty when it is assailed; by recognizing openly that it is never undignified to espouse the cause of an honest creditor, however great or however small his demands.

In closing this chapter I quote the late Mr. E. T. Florance, a prominent Commercial Lawyer of New Orleans, who writes regarding the dignity of the practice of Commercial Law as follows:

"The test of dignity is the excellence and fidelity of service. The degree of dignity is to some extent measured by the importance of a service, and the importance of a service must be judged by the number of those who are affected by it, by the rights enforced and the wrongs remedied in regard to them; for in the last analysis all beneficial services either enforce rights or redress injuries. Every beneficent human action must fall under one of these two categories. As the profession of law has two purposes in view, the branch of that profession which in the largest number of instances and to the largest number of persons renders those two services, should be considered upon the test of dignity given the most dignified branch of the practice of law.

"What is Commercial Law?

"Of course, if under this title is meant merely the collecting of money from more or less bad debtors, in the work performed by the ordinary collector who goes his rounds and by persevering dunning collects money in dribblets, there would be apparently little dignity; because there would be required very little skill in even the best performance of this service. But this collecting of bad debt is not the practice of commercial law, although to the general practice of every lawyer, whether a corporation lawyer, an admiralty specialist, a patent expert, or one who handles

real estate matters alone, the duty of collecting 'bad debts' is a necessary incident. Of course, it makes no difference in principle whether the 'bad debt' is a mortgage on an entire railway system or whether it is a note for a few dollars; just as there is no difference in principle between the enforcement of some contract where the amount involved is in the millions, or the enforcement of a contract for the purchase of some articles for a few dollars. In each case the lawyer is 'collecting a bad debt.'

"The real 'Commercial Lawyer,' however, is one who specializes in matters in which the principles of the Law Merchant, whether established by common law or statutory or civil law, are involved. The business handled by the commercial lawyer concerns itself with every detail of daily life, and is of infinite importance, not only to the wealthy creditor, but to the poor debtor, and not infrequently to the poor creditor and the wealthy debtor. It is that branch of law which often has to protect the ignorant from deception sought to be practiced, and the honest from the fraud by which obligations have been imposed, or through which obligations are attempted to be evaded. There is no branch of the practice of law which requires a wider domain of knowledge than that necessary to the commercial lawyer. There is no principle in any branch of law, whether admiralty, or patent, or criminal, or corporation, or probate, or real estate, that is not constantly needed to be enforced by the commercial lawyer. The questions involved come in such form that it is impossible for the commercial lawyer to do other than depend upon his own general knowledge of law. He cannot each time that a question arises in some special department of the legal system enlist the assistance of the specialist. He must be ready to act in any case, and take into consideration the ultimate consequences of the advice given or the action taken by him. An attempt to force the collection of a small promissory note may, if the lawyer be not a criminal lawyer, land his client in the penitentiary. The collection of such note may involve legal questions concerning the incorporation statutes of another state, or the law of probate of a foreign country. There may have to be decided the constitutionality of a statute of a sister state, or the public policy of the state of the forum. Indeed, it is difficult to imagine any question of law that may not arise within the regular practice of the commercial lawyer. The writer has had to take under consideration the validity of the equivalent of attachment proceedings in one of the Latin-American Republics; the regularity of probate proceedings in Ireland; the sufficiency of proceedings leading to judgment in Canada; the revision of court proceedings in the Isle of Malta; the law of inheritance of France and of many different states of the Union; the law of copyright in France as affected by treaties whose constitutionality was at issue; all of this incidental to his practice as a commercial lawyer. It goes without saying that the Bankruptcy Statute, and prior to that, the Insolvency Statutes of all the states of the Union, were necessary tools in the practice of 'Commercial Law.'

"And all of these questions enter into the daily life of hundreds of thousands, or rather, of millions of people in this country, and are being handled for the highest purposes and for the benefit of the humblest citizens by the commercial lawyer.

"It is mainly the commercial lawyer who is working out the legislation that will reduce, as far as possible, the differences in the laws of the states of this Union on matters wherein the daily enforcement of commercial law is affected. It is greatly due to the efforts of the commercial lawyer that the Uniform Statutes on Warehouse Receipts, Bills and Notes, and Bills-of-Lading have been enacted, and that the statutes which now so closely resemble each other in the several states of the Union on the subject of fraudulent sales have become laws.

"Surely, then, when we consider the vast number of persons whose welfare is directly affected, the importance and variety of the numerous questions of law that have to be investigated and principles of law that must be applied by the commercial lawyer, we must pronounce his labors as being most arduous and far-reaching; and when we contemplate the ability and industry and fidelity in the performance of the duties devolving upon him by practice in this branch of the profession, we can assert, without fear of successful dispute, that no department of the practice of law is nobler or of a greater dignity than that of 'Commercial Law.'"

PREPARATION FOR THE PRACTICE.

A proper preparation for the practice of Commercial Laws means not only a preparation in the knowledge and practice of law but a preparation in the knowledge and practice of business.

We need hardly say, in view of our statement that Commercial Law is the broadest speciality in the field of law, that the legal preparation must be unusually far-reaching and thorough.

Those who conceive of the practice as being merely the collecting of delinquent claims or the adjustment of disputes in mercantile matters, will of course disagree with us. But we are talking of the real lawyer who embraces within his practice the entire round of Commercial Law activity, and is just as liable and as able to go to the Federal Supreme Court on a point of law as he is to handle a ten dollar claim for the corner grocery, by the dunning process.

One result of the overlapping of the lawyers' and the laymen's work in this field is the idea some have that any one can be a Commercial Lawyer. It is the popular misconception of his work that leads to an un-

derestimate of the Commercial Lawyer's professional ability.

If the Commercial Lawyer is ever to get away from the slur put upon him by reason of his doing in some measure a layman's work it must be by his showing in all things that he is a lawyer prepared to do a lawyer's work. But the preparation most needed by Commercial Lawyers as a class, if they are to successfully meet lay competition in this field, is a business preparation, if we may so term it.

We are told by those who excuse the fact that lay agencies, bureaus, and particularly adjustment companies are springing up everywhere to take the commercial business from the lawyer, that the reason may be found in that laymen do the work better than lawyers do it. Laymen, they say, apply business methods; lawyers do not. Lawyers are said to be poor business men and more interested in the legal aspect of a case and the consequent fee than they are in the getting of results by direct business methods.

The National Association of Credit-Men, while not exactly sponsors for the many adjustment bureaus affiliated with their local associations, which in some parts of the country are monopolizing the business to the great detriment of the lawyer, tells us that the reason for the existence of these bureaus is the better service the credit men get from them, and that if the lawyers of the country had done as good service there never would have arisen a demand for such agencies.

There may be some truth in this, but it is interesting to note that some of their most successful adjustment bureaus are managed by Commercial Lawyers, and where not actually managed are actually controlled by Commercial Lawyers.

There is a basis for the complaint that the Commercial Lawyer often fails to use that tact, judgment, discretion, system, promptness and punch that character-

izes keen business men. When lawyers of poor business ability have come into competition with wide-awake business men they have lost out.

When a lawyer tells me that in his territory a certain lay agency has coralled all the business, I am prone to ask why, and the answer is plain that the lay agency must be giving something more or better than the lawyer did, and it is only the old rule of the survival of the fittest.

The remedy for a change of conditions must be more businesslike methods on the part of the profession in handling mercantile matters, particularly such matters as may be as well handled by laymen.

I am not entirely satisfied that the critic, in comparing the work of lay adjusters with that of local lawyers, is entirely fair with the latter. If the local lawyer were given the fees and the leaway the adjuster is given in particular cases, results might be different. Once give the lawyer a per diem and expenses, such as is allowed traveling adjusters and like leaway as to terms of settlement, and there would be a different story. Then, too, the lay adjuster is usually favored with live claims, while such claims are seldom sent to lawyers, for the reason that with this class of claims it is desirable to collect the money and at the same time keep the client—something hard to do, if the debtor finds a lawyer is against him.

The adjuster has many other advantages over the lawyer, of which I will treat later.

The preparation advisable on the part of the man entering the practice of Commercial Law requires, then, that he come to learn the business requirements, the business ideas and business methods of business men. This aside from a legal education.

The Commercial Lawyer should know much about bookkeeping. Ofttimes he must delve deeply into intricate and involved transactions where the subtleties

of the most complex and the crudities of the most ill-devised system must be solved.

He should know something of the customs of trade in its hundreds of branches. Take the one sort of collection, either with or without suit, that arises in the produce business, where demands are made for settlement on car load lots of perishable merchandise. We are told by the counsel for the leading agency handling this class of claims that a very small percentage of Commercial Lawyers handle such claims successfully, from their ignorance of conditions and customs, and that the home office of the agency is kept busy helping its correspondents, not so much because of their failure to know the law as their failure to grasp the business aspect of it all.

The Commercial Lawyer must be prepared to use a business man's methods in his work and his correspondence, as the business man fails to see why the moment a matter passes out of the hands of a layman into the hands of a lawyer any difference in the requirement as to promptness, courtesy, thoroughness of treatment should prevail.

Should a business house entrust its traveling salesman with a commission to sell a certain merchant and the salesman after a visit should return the commission, writing over the face of it "N. G.," the house would lose no time in calling the salesman to account. The salesman is required to make definite and detailed reports of his stewardship. This same house receiving an account from a Commercial Lawyer which the latter has been asked to collect and, finding written across its face "N. G.," can not well call the lawyer, but it can drop him; and this usually happens.

Business men nowadays are prompt correspondents. They have learned that promptness in business matters pays. Delays mean change in prices, loss of orders, loss of interest or discounts, lack of confidence. They pay out

big money for expensive sales forces. Delay in attending to business and backing up these forces, works havoc. Every department in a business watches every other department as its success is measured partly by what the others do. The credit department checks up the sales department and the collection department. The sales department is vitally interested in the credit and collection department. The sales and buying departments are inter-dependent. Laxity anywhere is felt everywhere. The business man comes therefore to be a stickler for promptness. He asks it and expects it and can see no reason why the mere fact that a man is a lawyer should excuse him from possessing this virtue.

In a very important sense the lawyer is the employee of the client and so long as the employment continues the employer has the right to the employe's prompt and thorough service whether it be to bring a law suit or report on a worthless claim.

An important item of the commercial lawyer's preparation must be an understanding of an efficient office system without which there can be only poor results. The idea that any lawyer may take up and succeed with commercial work is erroneous. Only a small proportion of lawyers can do it and the reason lies in that most lawyers are lawyers only. Business systems, short cuts, efficiency methods, are totally foreign to them.

There is a well defined type of man who lacks system in everything. His pockets, his desk, his head, are in hopeless confusion. This sort of man can never be successful as a Commercial Lawyer.

There is another type that are students, philosophers, dreamers. These can never practice commercial law.

Another type is more nearly the politician than the lawyer. No matter what his preparation, this type can never practice commercial law to his own or anyone else's satisfaction.

Another class lacks tact or force or punch. They are

easy, gullible, weak. They are nice men and good lawyers as counsel or in a friendly debate; but they can not succeed in the roped arena where business combats require often the sturdiest courage and the quickest wit.

Lazy, procrastinating, rainbow-chasing, timid men never succeed in this practice.

A lawyer with a dishonest streak in him should shun this field of effort as he would poison in his food. Its temptations are of hourly occurrence and the chances of escape from punishment, alas, too many.

A lawyer possessed of a feeling that only commercial litigation of the highest type is worthy of him should not assume the name of Commercial Lawyer. If sworn by the State to defend the injured, to espouse the right against the wrong, he is willing to pick and choose when he shall do his duty and when not, he has not met the true ideal of a lawyer.

A lawyer so tenderly regardful of the feelings and pocketbooks of his fellow-townsmen as to have a lukewarm interest in matters against them in behalf of non-resident clients must not hold himself out to the world at large as a Commercial Lawyer. He can win neither at home nor abroad by an effort to carry water on both shoulders. Better refuse all business from non-residents against residents than to accept it and give it scant attention. Thousands of Commercial Lawyers have proven that it is not only possible, but easy, to handle large non-resident business and still retain the good will, the respect and even the patronage of one's fellow citizens.

A very important element in preparation is the cultivation of a respect for the work in all its grades, from the attempt to realize on a desperate claim, small in amount and of long standing, to the attempt to square a case in court with the law and the decisions, when the client is a Standard Oil Company, the defendant a railroad, and the tribunal a Supreme Court.

A lawyer's notion that he will take up commercial law as a make-shift, as a means to an end, and that end a different practice in kind, or as a quick way to earn a living will not make of himself a high-toned lawyer of any sort. The Law is a jealous mistress. It is true of Commercial Law as a specialty.

It is frequently said that once a Commercial Lawyer, always one. It is a kind of practice that breeds itself and as a rule rapidly, so that once a man is launched in it he seldom reaches any other port than the commercial port. Better start out honest with yourself, saying, I am deliberately choosing a commercial practice. I will make my name and fame there and in doing so I will write my name among the greatest lawyers in the history of the Bar.

A discourteous, ill-tempered, bombastic, stickler-for-his-own-rights sort of man will have trouble in the practice of this specialty. There is no group of professional men in any line that must meet so many men under so many varying conditions. To do this with an even temper, quiet, but determined—where needful,—air, a gentlemanly demeanor, whether with the client or others, is to win. No just cause was ever helped by bluster. A million just causes have been spoiled by it. The effort of the prize-fighter is to anger his opponent, for then he has him whipped. Let go your indignation at any and every seeming injustice and you lose not only half your fighting strength but the good opinions of those who witness your behavior. The secret of the success of many a commercial lawyer in getting and keeping clients is uniform courtesy of manner and speech (oral and written); and much of his ability to produce results is due to the same quality. The best place to prepare for the practice of Commercial Law is in a Commercial Law office where every hour of the day you are in school, either learning or not learning (according to the sort of pupil you are) promptness, system, efficiency,

courtesy, evenness of temper, and all the things needed to the making of a Commercial Lawyer dealing with an exacting business world.

But not all offices are models. Care should be taken to get into an office where business is business. The writer recalls that one stormy day he closed his office-door (knowing quite well that no one of his few clients wanted him badly enough to brave a storm) and with another young lawyer began a game of cards. The senior partner happened in and pulled the outfit. Cards we were told might be right in their place but a law office was not the place. This same senior partner often spent hours over his newspaper in his office. There came a time when it came convenient for someone to say newspapers are all right in their place but not in a law-office. The writer has never been able to read a newspaper in his office during office hours without a qualm.

We are apt to believe that what our elders do we may do. We readily fall therefore into their bad habits and perpetuate them. Readily, I say, because it is easier to follow the bad than the good. It is easier to mimic the man who loses his temper than the one who keeps it. It takes something of a genius to sift the good from the bad in our surroundings but in learning to conduct a commercial law office we must do this very thing.

We never yet saw an office that had not its shortcomings. A valuable exercise with the learner, be he office-boy, stenographer, chief-clerk or junior partner, is to study methods used with a view to economy of time, effort and money. Ten steps saved is over 3000 saved in a year. Five less motions in doing a certain work is over 1500 motions in a year. These somebody pays for. A dollar uselessly spent every day in some routine is the interest on \$5000. Does it pay to study your office—your own work, simple as it may be, to learn where it may be more efficient and profitable? The question answers itself.

If one is so located that he must start out for himself with no opportunities for observation, his case presents some difficulties, but they are not insurmountable.

Every section of the country, nearly every populous county seats, boasts of at least one Commercial Lawyer who is more or less up-to-date; some one who himself has traveled and observed or has learned from long experience. A day or two spent in his office will cost little of time and money and the visitor will be welcomed. He will show you the *modus operandi* of a large or small office, as the case may be, and you can adopt his system or modify it to fit your needs. There is scarcely a day in Chicago but what some one of our large commercial law offices is not visited by lawyers from other points who are seeking to learn.

The Commercial Law League of America was organized partly to elevate and improve the practice of Commercial Law and its members receive through its publications ideas and suggestions that have been found valuable in the conduct of this specialty. A word to the Secretary of the League will bring suggestions.

The American Legal News published at Detroit, Mich., often contains articles on office systems. Other legal periodicals at intervals publish suggestions.

Manufacturers of office furniture and appliances gladly send catalogues and descriptive circulars.

A very necessary thing with the country lawyer is a sincere study of how to work with the least machinery and at the least expense, for the commercial business in rural communities must be handled at the minimum expense to produce a profit. In making this study, make free use of your own brains, visit successful offices, connect yourself with the League which was organized for you, and read; then be honest with whatever system you select.

LOCATION AND ENVIRONMENT.

Man cannot, properly speaking, make circumstances fit his purpose, but he always has it in his power to improve them when they occur.

Necessarily location and environment determine in great measure the degree of success one may reach in the practice of Commercial Law.

There are communities where the most capable Commercial Lawyer, depending for a livelihood on commercial business, must fail. The reason will lie in his environment and not in himself.

A community without commercial business cannot support a Commercial Lawyer. Some communities furnish some such business, but the amount is not sufficient to justify a lawyer giving special attention to it.

It is in communities like this that the Commercial Lawyer gets a bad name, for experience with attorneys in communities where there is little commercial business is expensive and unsatisfactory, because these attorneys are not accustomed to the demands of a commercial clientage and do not act with proper regard for the usages and customs of the business of which they are often in a great measure ignorant.

If you have been practicing law ten years and haven't at least \$5,000 to show for it there is something wrong somewhere—not necessarily in your neighbor's back yard, but in your own. It may be you are blaming your environment. Well, your environment didn't come to you; you came to it. Your environment isn't going to run away from you, it knows only too well a good thing. But you are going to run away from it—when you wake up; if you don't wake up dead.

If I were to print the things written to me by some lawyers regarding the dead towns they inhabit I would need to use asbestos paper, and if I circulated their statements among their fellow citizens lynching bees in

these communities would be as frequent as bad eggs in August. It is a wonder to me that such rare powers of description abound in such arid places. And yet these lawyers chose these places to live in and choose to remain in them. But it is one thing to run your town down to the man who wants to sell you something and another thing to run it down to a prospective investor. As long as these towns are on the map strangers must be pardoned for thinking they exist. Why, my lawyer friend, try to kill them deadlier than they are? As long as you are in them, they can surely boast of **something** alive. Am I correct?

Manifestly a rural district settled with well-to-do farmers and small towns inhabited by staid citizens who are living in the homes they were born in and carrying on a safe, conservative business left them by ancestors as safe and sane as themselves, is no field for the Commercial Lawyer who must live on the results of reckless credits, adventurous tradesmen, shifting commercial conditions and changing populations.

No more is a cemetery a fit abiding place for a live man than is a dead business community an abiding place for a Commercial Lawyer.

Usually, it may be said, the Bar of a community is a very good reflection of the community. A dead community shows a dead Bar. An ignorant community shows an ignorant Bar. A careless, indifferent, slothful community shows the same sort of a Bar.

We do not need to name towns or sections. The intelligent American who knows his country knows where intelligence and progress reside, where ignorance and slothfulness hold sway, and he need not be told why he gets one kind of service from the lawyer in the former section and another from the lawyer in the latter. The lawyer in the progressive community is progressive per force of his environment; the lawyer in the slothful community only reflects everything about him. You can't

help him or mend him. He knows no other way and does not care to know any other.

In selecting a location and environment choose a place to grow in, and it is impossible to grow in dead soil. Get out of the fossilized atmosphere of parts of New England. Keep away from the parts of the south where people are still voting for Jackson. Shun towns and cities in the middle west that have passed their meridian and are waning. Don't be caught by the worn out advice of Greeley, "Go west, young man." So many have done so there is scarcely elbow room. The tide is turning.

Beware of the region that depends upon a single industry that is not essentially permanent in its character; as mining, oil, lumber.

Our mail for years has contained frequent letters from lawyers reading substantially like this: "I have been located here for some years and I feel I have got as far as I can. The town is dead. The lumber industry that supports the town is on the bum and there is no outlook. My work of years goes for nothing. Can you suggest a new location?"

A large population does not necessarily mean a productive market for the Commercial Lawyer. A city composed largely of mill operatives, or men employed at weekly or monthly wages, with most of the business of the town dependent upon the continuous and successful operation of a few large plants, is not a productive field for the Commercial Lawyer.

The fact that a town is well equipped with law offices is no reason for throwing it in the discard as a location. The two questions are: First, is there commercial business in the community; second, is it being attended to properly. Some of the best towns in the country for an up-to-date lawyer are amply supplied with lawyers. There is a need there of the lawyer that is not met.

Some time ago I made some figures that may be of interest.

According to statistics before me at the time there were approximately 8,666 members of the Illinois state Bar, or an average of one lawyer to about every 650 citizens. While there are exceptions to the general rule, an examination of the statistics shows that the larger the town the greater the proportion of lawyers. For example: Chicago has a lawyer to every 446 people, Springfield one to 545, Peoria one to 748, Danville one to 715, Bloomington one to 715, Rock Island one to 818, while Monroe county can boast of the fact that lawyers are scarcer in that county than any other county in the state, there being but one lawyer to every 2,251 citizens.

The men who best know the places needing the right sort of men are the publishers of the leading law lists—those which control the country's business and know through the complaints of their subscribers and the observation of their traveling representatives, just what the conditions are. These publishers on inquiry are glad to direct capable men to such openings and help them get a start.

It is to be hoped that the organization of law list publishers, known as the "List Conference," elsewhere referred to in these pages, will adopt some "clearing office" scheme of pooling their individual experiences and be able through a central office or some one individual (as for instance the secretary of the C. L. L. A.) to give to an inquirer the knowledge and experience of all the best publishers. Such a scheme would rebound speedily to the benefit of lawyer, law list, client and everybody concerned.

The question of Town versus Country I will leave to the debating societies, but a few words I want to say:

In some respects I envy the country lawyer. He is ex-officio an aristocrat among his fellows. A very lit-

tle show of knowledge and skill over his dozen or more competitors renders him a poobah. His successes are quickly known to the entire community. One effort slightly above the average and he is discussed on every street corner and every cross-roads. A few more efforts out of the ordinary and it's up to him only to say what he wants. The country communities, in view of the statistics, seem only to be waiting around with their ears to the ground to hear the least excuse to crown the country lawyer with political honors. Our fathers who built the American system seemed to have designed congress as a place to send lawyers. The country lawyer who wants to practice law exclusively has really a hard time of it, if he has powers even slightly above the common level of the profession. Any morning he may wake up to find himself in congress or a justice of the peace, and if he is really and truly a phenom, his only escape is to the city, where they let him live a normal life to his heart's content.

When I note how easy it is for a country lawyer to be a deacon in the church, attorney for the First National Bank, president of the Business Men's Club, orator in chief of the 4th of July picnic and owner of a cow and vegetable garden which he can actually see and feel, with only one annoyance, the clamor of his friends to elect him to office, I confess there is much in the dream to awaken my enthusiasm. And when I look around me in the big city and see scores of my brother lawyers, near failures, a part of the thousands that swarm in the glare of the city, burning their brains out in the deathly heat of the unequal strife, I exclaim, What a tragedy!

It is a mistake to think that the big life is the strenuous one, that the city is the thing, because there only lies opportunity. Opportunity! Opportunity for what? Riches? If money and stocks and bonds be counted as riches I grant you they can be had by more ways in the city than in the country, but for every one hand

that feeds them to you there are an hundred to take them away.

Honors? Thank Heaven honor has no abiding place. And I am here to say that the laurel wreath hangs as close above your head in your country as in your city. If a man deserves honors they will soonest come where they are soonest recognized, and that is where he himself is soonest known.

The country has the city beaten to a frazzle in all that goes to make for the real comforts, the real joys of life. There is lacking in the former the exhilaration of the wheat pit and stock exchange, the tonic (?) effect of all the all-night cafe, the uplift of the "white way" and just around the corner the red way, the inspiration from the myriad cries of labor in pain, poverty in appeal, society in strife, but it has—ye Gods, what has it not? All the inventions of labor-saving and comfort-making that man has devised, and room in which to use them, pure air, pure food, pure water, libraries, men and women of decent manners and culture, time and room for study, opportunities to do good and be good, sound business in which to make money and sound banks in which to save it, honorable work to do and honorable rewards, healthful amusements, healthful work and that cow and vegetable garden.

I think if I had it all to do over again I would locate in the country town, practice the popular brand of oratory, buy a grip machine and cultivate a come-on hand squeeze, affect one or two eccentricities of manner and dress, and become a marked man in the community, all in the time it took me in the city to get my name in the directory and be recognized by the policeman on my block.

The real question is, where is there business to be had? There are some country towns or small cities, centers of populous counties having numerous small towns, where a man may profitably take up Commercial

Law, not as his whole dependence, but as a distinct department of his employment which he gives special study and attention and which he may justly claim to be efficiently organized for commercial work.

The city, on the other hand, is always a ready field. Chicago is a city with an army of lawyers, yet about six years ago a young man located in Chicago and today is at the head of a Commercial Law business requiring a force of nearly a score of employes, four of whom are lawyers. His office and equipment cost enough per annum to run more than a score of country or small city offices.

The ever-growing population of the average American city, the constantly shifting business conditions of big centers, makes the new man an old settler in a very few years. The question is not in the city, who are you, where did you come from, who were your ancestors, how long have you been here; but what can you do, and how will you do it?

There are two distinct sides to the commercial business—the "Receiving" side and the "Forwarding" side. The country Commercial Lawyer is almost wholly a Receiver, from the necessities of the case. There is no forwarding business in the average small city and country town.

Where a small city or country town has any forwarding it seldom is controlled by a local lawyer. The wise men of the credit and collection departments of most rural businesses of any magnitude recognize religiously the truth of the saying, "A prophet is not without honor save in his own country," and look over the heads of their own local lawyers, no matter how capable they are considered by forwarders elsewhere who employ them, to give their business to a concern at a distance, without an atom of real evidence as to its responsibility and efficiency, at the invitation of traveling solicitors whom they never heard of, before

they presented their scheme and their contract. Often as an evidence of their —— (we wrote damned and scratched it out in the copy) foolishness, they present these solicitors with bankable checks.

No matter how well the local Commercial Lawyer in the small community may be equipped to handle the forwarding of his town's one or several industries, he will always be up against a curious freak of our human nature, which is strong with the single-track mind of many credit men and bookkeepers, which prompts us to follow a showy stranger rather than a homely friend, and pass up honest, conscientious, capable talent at our own door for engraved prospectuses, phoney indorsements, golden promises and smooth voiced men trained to get the goods.

To our amazement we have learned repeatedly of the inability of capable Commercial Lawyers, responsible and ready to serve, to obtain even a look-in on the forwarding business of their few home industries, knowing at the same time the sort of agencies these industries were employing in some faraway city.

In our employment as secretary of the C. L. L. A. we have had many letters from credit men and collection managers of business houses asking us to help them get an accounting with some agency in Chicago or other city to whom, under a contract which they had never studied sufficiently to understand, they had entrusted thousands of dollars in delinquent accounts without bond or security, often after paying money in advance to finance the solicitors that bit them. In nearly every instance we have taken the keenest pleasure in refusing to help the ass out of the pit, even though on a week-day, and have called their attention to the fact that in their own town, often in their own block, were men thoroughly capable of handling their business and possessed of the advantage that when they were wanted they were not in jail or dodging it.

A good illustration of the type of agency that can go into rural towns and cities and take the forwarding business away from good local men is the Sprague Mercantile Agency (we blush for the name, though no Sprague was connected with the agency in its dirty days). This agency, with alluring literature and lying solicitors not only got the forwarding business of thousands of business men—the trick was easy—but got money in advance in every case. Its career lasted for years, marked at every step by fraudulent dealing, until the very burden of its iniquities crushed it. Yet today with that same name new men can go out and repeat the process, all because the average business man in doling out his collection favors is lacking in ordinary horse sense. Chicago agencies can go to Milwaukee and take business away from local agencies thoroughly as honest and capable as those in Chicago. A Nashville agency can go to Cleveland and get business from under the noses of some of the best agencies in the country.

So that our advice is, don't figure on the forwarding business of the country town or small city (though it may have such business), for no matter how well everybody else knows you are capable of handling it, the astute fellow who gives out this business, who probably belongs to your church or to your lodge, knows you can't. If you had the spiel and the clothes and the leather wallet, and the photographed letters, and the engraved contract, and the nerve of the stranger who is here today and away tomorrow, you might, but you haven't these. So "there's an end on it."

One of the greatest services the National Association of Credit Men could do for its members and the business world would be to institute a campaign against, first, the irresponsible collection agencies, and, second, credulous credit men and easy-mark collection managers who keep alive these frauds. If this great organization

and the League could unite on a way of finding out who's who in the credit men world, the collection agency world and the Commercial Lawyer world, and bringing into lasting fellowship and co-operation the best elements in the three, there would be millions saved to business men, thousands of men looking for other jobs, and the local lawyer of the upright and competent class in the smaller forwarding communities would come into his own through a just recognition of his worth by his fellow citizens of the client class.

This co-operation was sought in the organization of the C. L. L. A., when it provided in its constitution for membership from both lawyer and layman, but its work was halted in this direction by the organization of the credit men (the N. A. C. M.) as a separate organization, with the unhappy result that the two classes have each gone their separate ways and no combined action on any vital thing has been considered or taken.

Locating in a city or town where one is not known presents many problems to the lawyer who must build a business speedily or go hungry. Some of these are problems in ethics. The question how far can a lawyer go in seeking employment is an important one and a delicate one. This will be considered later.

One may buy a location, if we may so phrase it. In doing so the buyer has some definite data as to the possibilities of the practice at the point in question. One may also often get the management of the collection department of some well established firm, by which he may soon learn the limit of the locality's possibilities.

The Commercial Law League of America publishes a Monthly Bulletin, every number of which presents want or for sale notices inserted by members of the League, who for one reason or another are desirous of disposing of their business, or want partners, or collection department managers. Law List publishers are in touch with locations where arrangements can be made

by competent or willing men to get a foothold in the practice. In some cases experience is required, in others money, in still others nothing more than honesty, general capability and willingness. In a very large proportion of the commercial offices of the cities the men in control are men who have got their start as managers or clerks in commercial law offices other than their own.

The country town or small city should not be judged by its own population merely in determining its prospective value as a field. Some such places are centers of very wide territory that is without a progressive, capable, forceful Commercial Lawyer, and the lawyer locating at such a center, by proper methods, may make a dozen counties contribute to his practice. There are great sections of some of our states, particularly in the far east, the south and the west, where groups of counties are without adequate representation in the roll of the country's Commercial Lawyers. A man located at a central point in such a section and displaying capability and enterprise may make a quick name for himself in every forwarding center of the country.

The possibilities of the Receiving Lawyer developing a business covering a section are exemplified in the writer's own experience, told in a little pamphlet published many years ago, entitled "How to Build Up a Commercial Law Practice." It was a story of the writer's own first years in the practice. Many of the things he did then he would not do now, as he is older and has a keener regard for the proprieties, because of a better knowledge of the ethical rules of his profession. In this pamphlet, published we believe even today after thirty years, by the American Legal News of Detroit, with the author's name given as A. X. Dunner, the writer shows how in a few years the prompt and efficient handling of a few items for some big houses led to his proposing, and the proposal being accepted, that he

be given the section of Michigan east of a line from Saginaw to Detroit as his field of operations.

The overwhelming percentage of country lawyers get business covering only their immediate vicinage. This must almost necessarily be so. But must it, need it be so with the Commercial Lawyer? I think not. There is the greatest kind of an opportunity for a country Commercial Lawyer to widen his work far beyond the limits of a county or even a group of counties. Once a country Commercial Lawyer has established with a client a record for unusual results there is scarcely a limit to what he may expect if he puts himself in the way of it. The fact is that bang-up men in the commercial law field are at a premium—I mean men of tireless energy, bull grit and unswerving honesty. There are whole sections of some of our states where there are no such men, and over such sections a bright, keen, honest, up-to-date, hustling Commercial Lawyer can get a practical monopoly of certain lines of business.

Concrete examples go for much. When I was a young man and bold I made a conspicuous success with a claim of \$1,200 against two men who were trying to get away with a threshing outfit. My clients were Ohio manufacturers, selling all through the state of Michigan. A mere suggestion on my part, after my lucky strike with the claim aforesaid, resulted, in the course of six months or less, in my getting every item of business from this concern that it had in Michigan east of a line from Detroit to Saginaw, and in nine cases out of ten my only labor consisted in acting as a middleman between the client and a local lawyer, keeping my eyes on the latter and seeing that things moved. Only in rare instances was I called upon to leave my office and take the field. I was in fact a general attorney for that manufacturer for all of eastern Michigan. My fees from this client alone made a respectable income. And I would have done this as well had I lived in a country parish as

I did in Detroit. In those days I had snap, and this particular client recognized it. It would have been as readily recognized had I lived in Lonesomehurst.

But there are other chapters to this personal story. My experience with this client led to an ambition on my part to cover big ground for others so it was not long before I was attorney for eastern Michigan of a dozen Ohio manufacturers. This led to my publishing the Collector (now the American Legal News) which, strange to say, never was intended for lawyers, but for implement manufacturers, for which class of clients I was largely working. And "The Collector" later called and engineered the great gathering that organized the League. And there you have the sequence of events.

What I am trying to impress is this, that a Commercial Lawyer can vastly increase his field of operations by the use of business tact, business energy, and such a study of the problem of how to do it as the merchant gives to the work of enlarging his business.

The man who sits down and whines because he is in a small town and excuses himself for lack of enterprise and "go" because he is a country lawyer with no constituency and no chance, deserves to have some bright fellow in another bailiwick take what little business he has away from him.

I know the fatal effects of a rural atmosphere; I know the enervating influence of town life; I know what it is to live in a village where on many a mid-afternoon you can shoot a gun down the whole length of the main street without danger of hitting man or beast. I know it takes some genius to MAKE opportunities in such surroundings, but my country friends, beyond the Alps lies Italy.

In this connection I quote from a lecture on the subject of Location delivered by Charles Friend, Esq., of Milwaukee, before the Marquette Law School. Mr. Friend says in part:

“There is much to be desired in living and practicing law in the smaller communities. Everyone tells us that the man who seeks the pleasures of practice, as well as the remuneration in money, should take up his residence in the smaller districts. The appeal, of course, can be made only to those who have had prior experience in living in the country, or to those who now living in the city have a well defined idea of country life and the fancy at least that they would love to live in the country. Naturally the place where you live or seek to establish yourself, should be primarily congenial to you. It is your life that you are bound to live, wherever you may seek your residence. If you are one who does appreciate the openness and freedom of nature, the surroundings of country life, the leisurely manner in which people may conduct their lives in the country districts, then you may also be well assured that if you will take up your residence in one of those districts you will always be happy. And it is after all happiness that we seek in our pursuits of life.

“To the same man who would cast his lot in the city, the opportunities are not so entrancing as in the country; for in the city you must at once begin under an artificial pressure of expense. I say artificial in the meaning that it is an exaggerated condition over your income for necessities for living in comfort. All those who commence life in cities have before them two alternatives; the one to enter into the employment of another, to make progress through the offices that may be assigned him, performing the certain special duties that are set before him; or to begin independently by that manner of establishment which may appeal to him, either being alone in an office rented by himself for himself or in association with others, either as an independent practitioner or as a copartner; but in some particular way employing the telephone, stenographers, taking quarters in office buildings, whereby he may reach the clientage that

he seeks,—all under the pressure of substantial daily expense.

“The man, who, on the other hand seeks his residence in the country has a far less expense account to meet, and while perchance he may not earn fees in as large a measure or even that degree of frequency as in the city, he nevertheless has ample time to develop any subject that comes before his attention, and perhaps it is this element which assures the beginners in the country practice a broader foundation and greater stability in the profession.

“The opportunity to examine with the greatest care the witnesses that may be called to the trial, the opportunity to study the law of evidence that is apt to come before the court when these witnesses are presented, the opportunity to investigate with care the details with which opponent may come into court, are essential to success in trial work. Of course the lawyer in the country has plenty of time and opportunity to study the law, and being conversant thoroughly with his facts has a splendid chance to distinguish himself early in his profession. And it takes only one case before the courts, if he wins, to put a man on his feet in the country districts in which he moves. As against this portrayal consider the conditions in the city, where under the pressure of expense in the office and in the home the young lawyer is bound to hurry over the preparation of his earlier cases, to seek more business, to be prepared to do further things. He has neither the time to study nor is he apt to infuse into his client the zeal to appeal the case because the lawyer has not the time to devote to the preparation of these appeals. Some of the most important litigation carried through the course of the highest courts has arisen in the country practice.

“Again, the lawyer in the country districts has the most excellent opportunity of meeting at once the best people in the community. He is received into the circles

of most influence, socially and in the business way. He comes into the community as a stranger perhaps, and is accepted for what he can give. If he interests himself in the questions that arise and are current in his community, he becomes a leader. He directs the thought, he formulates the policy, and contributes materially to the upbuilding of that community in which he has sought to make his home. In the larger cities, on the other hand, it is a matter of remote chance for a man to establish himself in a place in which he will be noticed. It is more difficult by far to reach that circle who are doing the big things in the community and participate in the promotion of the policies of that community. He must bide his time, he must wait until chance comes his way before he can realize on one with sufficient force to make himself known or recognized as a factor."

Ethics.—Ethical Ways that Win.—Getting Business Direct.—Clientage.

SECTIONS OF THE CODE OF PROFESSIONAL ETHICS

That in Any Way Relate to the Commercial Practice Adopted by the American Bar Association and the Commercial Law League of America.

6. Adverse Influences and Conflicting Interests. It is the duty of a lawyer at the time of retainer to disclose to the client all the circumstances of his relations to the parties, and any interest in or connection with the controversy, which might influence the client in the selection of counsel.

It is unprofessional to represent conflicting interests, except by express consent of all concerned, given after a full disclosure of the facts. Within the meaning of this canon, a lawyer represents conflicting interests when, in behalf of one client, it is his duty to contend for that which duty to another client requires him to oppose.

The obligation to represent the client with undivided fidelity and not to divulge his secrets or confidences forids also the subsequent acceptance of retainers or employment from others in matters adversely affecting any interest of the client with respect to which confidence has been reposed.

9. Negotiations With Opposite Party. A lawyer should not in any way communicate upon the subject of controversy with a party represented by counsel: much less should he undertake to negotiate or compromise the matter with him, but should deal only with his counsel. It is incumbent upon the lawyer most particularly to avoid everything that may tend to mislead a party not represented by counsel, and he should not undertake to advise him as to the law.

10. Acquiring Interest in Litigation. The lawyer should not purchase any interest in the subject-matter of the litigation which he is conducting.

12. Fixing the Amount of the Fee. In fixing fees, lawyers should avoid charges which overestimate their advice and services, as well as those which undervalue them. A client's ability to pay cannot justify a charge in excess of the value of the service, though his poverty may require a less charge, or even none at all. The reasonable requests of brother lawyers, and of their widows and orphans without ample means, should receive special and kindly consideration.

In determining the amount of the fee, it is proper to consider (1) the time and labor required, the novelty and difficulty of the questions involved and the skill requisite properly to conduct the cause; (2) whether the acceptance of employment in the particular case will preclude the lawyer's appearance for others in cases likely to arise out of the transaction and in which there is a reasonable expectation that otherwise he would be em-

ployed, or will involve the loss of other business while employed in the particular case or antagonisms with other clients; (3) the customary charges of the bar for similar services; (4) the amount involved in the controversy and the benefits resulting to the client for the services; (5) the contingency or the certainty of the compensation, and (6) the character of the employment, whether casual or for an established and constant client. No one of these considerations in itself is controlling. They are mere guides in ascertaining the real value of the service.

In fixing fees it should never be forgotten that the profession is a branch of the administration of justice and not a mere money-getting trade.

13. Contingent Fees. Contingent fees, where sanctioned by law, should be under the supervision of the court, in order that clients may be protected from unjust charges.

16. Restraining Clients from Improprieties. A lawyer should use his best efforts to restrain and to prevent his clients from doing those things which the lawyer himself ought not to do, particularly with reference to their conduct towards courts, judicial officers, jurors, witnesses and suitors. If a client persists in such wrongdoing the lawyer should terminate their relation.

21. Punctuality and Expedition. It is the duty of the lawyer, not only to his client, but also to the courts and to the public, to be punctual in attendance and to be concise and direct in the trial and disposition of causes.

27. Advertising, Direct or Indirect. The most worthy and effective advertisement possible, even for a young lawyer, and especially with his brother lawyers, is the establishment of a well-merited reputation for professional capacity and fidelity to trust. This cannot be forced, but must be the outcome of character and conduct. The publication or circulation of ordinary simple business cards, being a matter of personal taste or local custom, and sometimes of convenience, is not per se improper. But solicitation of business by circulars or advertisements, or by personal communications or interviews, not warranted by personal relations, is unprofessional. It is equally unprofessional to procure business by indirection through touters of any kind, whether allied real estate firms or trust companies advertising to secure the drawing of deeds or wills or offering retainers in exchange for executorships or trusteeships to be influenced by the lawyer. Indirect advertisement for business by furnishing or inspiring newspaper comments concerning causes in which the lawyer has been or is engaged or concerning the manner of their conduct, the magnitude of the interests involved, the importance of the lawyer's positions, and all like self-laudation, defy the traditions and lower the tone of our high calling, and are intolerable.

Stirring Up Litigation, Directly or Through Agents. It is unprofessional for a lawyer to volunteer advice to bring a lawsuit, except in rare cases where ties of blood, relationship or trust make it his duty to do so. Stirring up strife and litigation is not only unprofessional, but it is indictable at common law. It is disreputable to hunt up defects in titles or other causes of action and inform thereof in order to be employed to bring suit, or to breed litigation by seeking out those with claims for per-

sonal injuries or those having any other grounds of action in order to secure them as clients, or to employ agents or runners for like purposes, or to pay or reward, directly or indirectly, those who bring or influence the bringing of such cases to his office, or to remunerate policemen, court or prison officials, physicians, hospital attaches or others who may succeed, under the guise of giving disinterested friendly advice, in influencing the criminal, the sick and the injured, the ignorant or others, to seek his professional services. A duty to the public and to the profession devolves upon every member of the bar, having knowledge of such practices upon the part of the practitioner, immediately to inform thereof to the end that the offender may be disbarred.

29. Upholding the Honor of the Profession. Lawyers should expose without fear or favor before the proper tribunals corrupt or dishonest conduct in the profession, and should accept without hesitation employment against a member of the bar who has wronged his client. The counsel upon the trial of a cause in which perjury has been committed owe it to the profession and to the public to bring the matter to the knowledge of the prosecuting authorities. The lawyer should aid in guarding the bar against the admission to the profession of candidates unfit or unqualified because deficient in either moral character or education. He should strive at all times to uphold the honor and to maintain the dignity of the profession and to improve not only the law, but the administration of justice.

30. Justifiable and Unjustifiable Litigation. The lawyer must decline to conduct a civil cause or to make a defense when convinced that it is intended merely to harass or to injure the opposite party or to work oppression or wrong. But otherwise it is his right, and, having accepted retainer, it becomes his duty to insist upon the judgment of the Court as to the legal merits of his client's claim. His appearance in Court should be deemed equivalent to an assertion on his honor that in his opinion his client's case is one proper for judicial determination.

31. Responsibility for Litigation. No lawyer is obliged to act either as adviser or advocate for every person who may wish to become his client. He has the right to decline employment. Every lawyer upon his own responsibility must decide what business he will accept as counsel, what causes he will ring into Court for plaintiffs, what cases he will contest in Court for defendants. The responsibility for advising questionable transactions, for bringing questionable suits, for urging questionable defenses, is the lawyer's responsibility. He cannot escape it by urging as an excuse that he is only following his client's instructions.

32. The Lawyer's Duty in Its Last Analysis. No client, corporate or individual, however powerful, nor any cause, civil or political, however important, is entitled to receive, nor should any lawyer render, and service or advice involving disloyalty to the law whose ministers we are, or disrespect of the judicial office, which we are bound to uphold, or corruption of any person or persons exercising a public office or private trust, or deception or betrayal of the public. When rendering any such improper service or advice, the lawyer invites and merits stern and just

condemnation. Correspondingly, he advances the honor of his profession and the best interests of his client when he renders service or gives advice tending to impress upon the client and his undertaking exact compliance with the strictest principles of moral law. He must also observe and advise his client to observe the statute law, though until a statute shall have been construed and interpreted by competent adjudication, he is free and is entitled to advise as to its validity and as to what he conscientiously believes to be its just meaning and extent. But, above all, a lawyer will find his highest honor in a deserved reputation for fidelity to private trust and to public duty, as an honest man and as a patriotic and loyal citizen.

The conduct of the commercial lawyer is being scrutinized now as never before, not only by the C. L. L. A., but by laymen.

Secretary J. H. Tregoe of the National Association of Credit Men, in a general letter to the members of the association, dated January 3, 1916, said:

“‘The honest and capable lawyer is not likely to make the most noise.’ A commercial lawyer whose professional ideals are beyond question is responsible for this sentiment.

“We can as justly suspicion the attorney who advertises as we can the physician who advertises. The attorney equipped to give the most efficient service and who cannot be induced to do that which is contrary to the ethics of his profession, must be found out by inquiry and the exercise of discretion.

“Altogether too large a proportion of our bad debt waste may be laid at the door of commercial attorneys who will not only act in collusion with a weak or unprincipled trader, but even suggest plans of cheating creditors; all of which is said without forgetting that the attorney of crooked tendencies is led frequently into devious ways by the business man.

“We must eliminate, if possible, the unfair and unprofessional lawyer, and the elimination may be brought about by the adherence to honest ideals by the credit man and the exercise of diligence in selecting lawyers who are honest as well as capable.

"As a feature in this work to which we are setting our hands with determined purpose, may we request our members to report to the National office all the experiences they have had with commercial lawyers which would point to low standards or unprofessional methods, for such experiences will help promote desirable investigation for the building up in the National office of information for the service and the guidance of members in obtaining desirable correspondents."

I approach the subject of Ethics with considerable diffidence.

I realize that if the commercial lawyers of the country today lived up, literally, to the requirements of the code of ethics adopted by the American Bar Association and the Commercial Law League of America, they would almost to a man be compelled to go out of the commercial law and collection business.

I am not prepared to say that the commercial lawyers of the country should resign this field of work to the layman, so that I hesitate very much to advise that the codes of ethics that have been adopted by the two great organizations of lawyers shall govern strictly in this field of work.

I am a lawyer myself with all of a lawyer's instincts and all of his pride in his profession; but I am also something of a business man with a business man's instincts, and a business man's view of things. I view with great concern the trend of events in the commercial law and collection world of recent years, for I see in it ultimately the absolute elimination from this class of work of the commercial lawyer.

In looking for some remedy, some way of escape from this unfortunate condition, some method of stemming the tide of invasion of the lawyer's rights, I am

wondering whether the rule of "Self-preservation is the first law of nature" should **not** override man-made rules as to the matter of what is ethical.

I am sometimes constrained to say: What is **ethics** anyhow? It is but the opinion of a certain group of men at a certain time, as to what is proper behavior. At another time, under other conditions, this same group of men (or a different group just as honest and just as sincere) might determine on a different set of ethical rules.

I also recall that rules of ethics have been made largely by men who have had absolutely **no** experience in the field of commercial law and collections. I know what the American Bar Association was some years ago, when it was discussing and coming to a decision, —and it took it a long time—on this matter of ethics. I was at the time a young lawyer myself and ambitious. I joined the American Bar Association and attended its annual meetings. I found them attended by retired lawyers, college professors, and (in general) men who were far removed from the active work of the profession. I found myself, as a young man, **persona non grata**; and I was not slow in resigning my membership and quitting the body. I realize that, in later years, the American Bar Association has become a very different body and I give the credit for it, very largely, to members of the Commercial Law League of America, who have entered into its deliberation and made of it a live body.

Any code of ethics adopted by the sort of an organization that the American Bar Association was at the time of which I speak could not fail to be highly idealistic.

I have no fault to find with the code of ethics adopted by the American Bar Association and afterwards adopted by the Commercial Law League of America without debate and without even having before it a copy

of that code. It strikes a high note of dignity and its every paragraph is expressive of high principle. I question, however, whether, under modern conditions, the commercial lawyer can stand by this code and preserve his professional life.

Let us see what the commercial lawyer who stands by the letter of this code cannot do: —

The commercial lawyer may not pay for representation in the law lists of the country the money asked for such representation by publishers, because the price of such representation is not determined by circulation or by any other settled standard, but, is determined wholly by the amount of business that the list has either already furnished for that particular location, or is prepared to promise to furnish. In other words, the price is an amount stated as a consideration for a more or less certain amount of business to be furnished. This is purchasing business and must fall within the inhibition of the code of ethics in question.

The commercial lawyer may not solicit business through circular letters, or through personal letters.

The commercial lawyer may not, in person, visit the sources of business for the purpose of obtaining employment or introducing himself with a view to future employment.

The commercial lawyer may not even scatter his cards broadcast throughout the country, with a view to catching stray items of business from among the forwarding or client class.

The accepted code of ethics would require of the lawyer that he await being found out. He may not introduce himself. He must be patient and let the commercial world discover, by what means we know not, that he is prepared to do business for them and desires to do so.

Where a lawyer's reputation is well known in his own community, the soliciting of business would at

once appear to be unethical and improper; but where commercial clients are seeking the assistance of lawyers over the entire continent there must be some means by which the men who are adequately equipped for and desirous of doing commercial business may be found out. Clients, however, cannot, in the nature of things, find these things out of themselves, nor can forwarders. It is up to the lawyer himself to make known the fact that he is in the field.

It does not seem to me that for the commercial lawyer to advertise the fact that he has equipped his office for the handling of commercial business and that he has employes especially skilled in that line and that he is desirous of serving the business public, is to commit a professional sin. It is not like saying "I have a better brain than anybody else," or "I am more skilled than another," or "I am better educated;" it is simply saying, "I have selected this branch of the work for my special field. I desire to serve the business public and I have equipped myself especially for it."

It is well understood that the lawyer in general practice is not prepared to do commercial business. One to do this business and do it right must be especially equipped and must have especial aptitude for it, or especial facilities. There are comparatively few men so equipped and so capable. It is almost absolutely essential to the business world that information as to who and where the men are that are ready to do this sort of work and prepared to do it right be conveyed to them.

I know that I will be called a heretic and that I will run great risk of being burned at the stake for my temerity or lack of caution in thus, in a way, advocating the letting down of the bars in the matter of ethical rules on the solicitation of business in behalf of commercial lawyers. I am ready, however, to take the stigma because I believe that unless the commercial

lawyer is permitted to undertake this line of business and advertise his facilities for it, one of the best and most renumorative avenues of professional business is going to be closed to the legal profession.

The sources of commercial business for the lawyer are drying up. I absolutely know this to be a fact. The reasons, for there are many, are not hard to find.

First, the commercial lawyer has been refused permission to solicit business. The solicitation of this business, however, is open to the layman, and he has taken advantage of his privilege and has solicited the business to the extent that it is very largely monopolized by the mercantile and collection agency, particularly in the large cities. Many lawyers and law firms, in order to protect themselves, have organized collection departments and even given them the name of an agency and have through them solicited business indirectly; but this again is a breach of professional ethics; it is an indirect soliciting of business. These lawyers have learned that they **must** find a way of competing with the layman if they are to live in this field. They have taken the roundabout way of doing it, but they are simply playing the ostrich act, their head is under the sand but their whole body is outside. They are well recognized as engaged in unprofessional practice.

Second, the lay agencies, and the lawyer forwarders for that matter, have learned a hundred and one tricks of collecting without the use of the local lawyer, by means of direct-demand letters, by means of bank drafts, by means of offering special fees to local justices, notaries, banks, postmasters and express agents, by means of the telegraph and the telephone, and by means of the personal adjuster, so-called, or the traveling collector.

Third, business is being centralized in the hands of the leading law firms in the principal commercial centers to the disadvantage of attorneys in all surround-

ing cities and towns by the "adjustment system"—a system by which an adjustment company controlling large business will appoint a certain firm of attorneys, we will say, at Atlanta, Ga., and with that firm will make a contract by which the firm travels on all matters of any importance throughout a given territory at a per diem or a fixed percentage. This, of course, takes away from the local attorney throughout that territory business that is rightfully his. A peculiar phase of this scheme is that at least one of the large and powerful directory companies, or law lists, selling representation to these same small city and country attorneys throughout the Atlanta district will have a contract with an Atlanta firm by which all business of a certain character where the amount is considerable will not go to the local attorneys who are paying the money to the directory for the business of those localities but will go to the firm in Atlanta who sends out a traveling solicitor or collector, or goes out in the person of one of its own members. That local attorneys will stand for this is beyond my understanding.

Fourth, the system of demand-letters, drafts, etc., etc., which is sold by agencies to clients whereby clients make their own collections is serving to take away business from the local attorney.

Fifth, the system of trade acceptances which is just coming into vogue is another direct blow at the local lawyer. He is going to feel the effect of it very much in the near future. The acceptance takes the place of the open account. A bill of goods is sold by a manufacturer or jobber to a local merchant and instead of the account standing on the books for thirty or sixty days an acceptance is asked for and this acceptance is used as a piece of commercial paper and may be discounted at a bank; so that when it is due it is in the hands of an innocent purchaser for value and the local merchant must pay.

In the case of an open account, the local merchant (if a little slow) was given time and very frequently the slow account became a piece of business for the local lawyer. In the case of trade acceptance, however, the account is closed, the paper is in the hands of an innocent purchaser for value, the merchant sees the necessity of paying when it is due and, there being no extension and no possibility of standing off the jobber or manufacturer who sold the goods, there is nothing to come into the hands of the local attorney. There may be some litigation on these acceptances, but the probability is that it will be little and far between as compared with the amount of business coming to the lawyer from the open account system. It is claimed that the trade acceptance is a great improvement over the open account system. I am not arguing for or against it; I am simply saying that this new implement of commerce is a direct hurt to the commercial lawyer.

Sixth, the greatest harm to the commercial lawyer's business has come through the organizations of credit men. In most of the important commercial centers of the country credit men have organized their own adjustment bureaus which not only gather up the business of the credit men of their own community, who are in a way proprietors of the bureaus and interested in their success, but they also receive the business of other adjustment bureaus in other parts of the country.

There is coming to be a great network of these adjustment bureaus controlled by the credit men themselves and most of them make a boast of their facilities for doing business without the aid of the lawyer. Some of their circular matter is extreme in this respect and betrays a spirit of antagonism to the lawyer that is, to say the least, unjustifiable.

The adjustment bureaus in the beginning were organized for the purpose of adjusting difficulties and taking charge of the affairs of failing merchants and

trying to save assets for creditors. They have, however, become ambitious of recent years, and there is scarcely one of them now but what is out for the general collection business and using as its main argument the statement that it can serve the merchant more economically in that it can make collections and settlements without the use of the lawyer.

I hear very much complaint of the dropping off of business in commercial law offices. I am not surprised at it; in fact, I am surprised that there is any appreciable amount of it in law offices in view of the unfriendly elements working against the lawyer.

It is from the knowledge that the lawyer is handicapped by his rules of ethics in saying to the business world, I am prepared to do your work, I am especially fitted for it, I have especial facilities, I desire this class of work, I am willing to give unusual effort to it, I have hired competent men for it, and from the knowledge that the avenues of this sort of business are being closed to the lawyer by means over which he has no control, that I am taking the position that the lawyer should be permitted to defend himself. I do not believe it is fair that he should be compelled to take down his sign and close his shop, by reason of the fact that years ago men with no conception of present day conditions have declared that he shall not, in any way, declare himself ready and prepared to do this line of work.

If this is treason, make the most of it.

I know that nothing I can say will serve to change the application of the strict rules of professional ethics with reference to the solicitation of business. I believe the rule is being more tightly drawn every year, largely through the influence of such organizations as the New York County Lawyers Association, whose opinions and answers to ethical questions I am giving publicity in this book, and whose words are being copied and studied

and adopted in other jurisdictions. I believe, too, that the rule of ethics with reference to soliciting is being more and more generally adopted by the lawyers of the country. This is only another condition that is adding to the embarrassment of the lawyer, because with the tightening of the ethical rules and at the same time the drying up of the sources of business, he is between the upper and the nether millstone. He is being crushed between his own rules and the surrounding conditions. I see no escape for him, but an escape from the commercial practice entirely, leaving the field to the laymen and to the few men who will always follow the practice for what there is in it, despite the rules of ethics, from being unable to practice in any other field.

The late Walter S. Carter of Carter, Hughes & Dwight, of New York City, a firm of world wide fame as a commercial firm, once delivered an able address on "Ways that Win." When the writer was publishing a business law periodical in Detroit some years ago he printed this address by Mr. Carter's permission and sold thousands of copies of it. In this address Mr. Carter took the young lawyer into his confidence and talked to him as a father regarding even such intimate matters as his manners and his dress.

If Mr. Carter, the head of a firm that furnished a Chief Justice of the United States Supreme Court and a Presidential candidate, could descend to such particulars, the vastly more humble writer of this book may do so. We have not seen Mr. Carter's book in a dozen years so there can be no danger of plagiarism, though the writer is hoping that his thoughts on the subject may not be far from paralleling those of the writer of "Ways that Win;" in other words that it may be said by those who have read both that again "great minds run in the same channel."

Another introductory word. Mr Carter is dead. He can never get with ears of flesh and blood the words

of gratitude and appreciation I speak because of the kindly treatment I years ago received from that great business lawyer. It was in the very early days of my practice when the publishing bee began to buzz in my bonnet; when I began to think the world would rather see me spattering ink than pleading causes. My initial step in the literary legal line was a trip to big eastern cities to get the lay of the land and see if perchance the going might be good for a publication devoted to the commercial law practice on its business side. Some kindly providence directed my youthful steps to the office at No. 1 Wall Street, just opposite old Trinity and into the presence of Walter S. Carter. The visitor was but an amateur in knowledge and experience, but the veteran attorney squared himself away for a two hour interview, as if it was I who had the wisdom and he the thirst for knowledge. Much of what I learned in those two hours went into the warp and woof of my life. Because of this interview and subsequent friendly correspondence, "Ways that Win" by Walter S. Carter found its way into the hands of thousands of lawyers and so in the subtle way that things spiritual and true have of working their mission, there can be no doubt but that Walter S. Carter lives in thousands of other lives today. To him the writer owes a motto he long ago adopted:

"What ought to be can be."

Ways that win are so numerous we must be pardoned if we but briefly enumerate most of them. Then too many are self-evident and being self-evident are forgotten and hence need mention.

By ways that win, we mean, ethical ways by which the Commercial Lawyer may win success in his chosen field, and these ways are ways in many cases that win in every field. Yes, this will be another of the million chapters that have been written on the hacknied theme "Success," but it will be something more, in that it will

be directly applicable to one line of endeavor—that of making the practice of commercial law a quick, honorable and profitable road to competency and public esteem—two things that embrace about all a man can hope for this side the grave.

Be in Earnest.

There is nothing wins confidence so much as the appearance of being sincerely and heartily at work at something. I recall an aged lawyer friend in Detroit, whom I often met on the street cars, at luncheon, on the street, in court. His face, mien, gait, all betokened earnest concentrated living. He was not much to look at. He was small of stature, wrinkled, gray, somewhat stooped. He was not an advocate—an orator. He was not in society. Politics did not bother him, though he was a model citizen. He was not a personal friend or acquaintance of mine. We but bowed as we met, and, mark you for further comment later, he, an aged man, bowed to me, a youngster with nothing about me to especially attract the courtesy.

Earnestness above everything else characterized John D. Conley, in my estimation. Result: When the Executive Committee of the National Association of Implement Manufacturers some years later, came to my office to ask my advice as to whom of Detroit's lawyers they should select to institute a suit of paramount importance to their entire membership, which involved questions that would finally land the case in the highest tribunal in the land, I put down the names of Detroit's lawyers of eminence and then crossed them out one by one till only that of John D. Conley was left. I took the committee to his office. They were introduced and I left lawyer and prospective clients together. Later in the day, the committee returned to my office with this word "We have found the man we want and we want to thank you." No man could talk with that lawyer and come

away feeling that if perchance he was not a great lawyer he was a sincere and earnest one.

The cause of many a Commercial Lawyer's failure is his lack of sincere interest in his work, either through constitutional laziness and indifference, or through a lack of respect for his work in this line. I would not employ and trust a Commercial Lawyer who tells me, "I know nothing about the commercial end of my business. I leave that to my clerks." Either the man is lying or he is wanting in earnest solicitude and care for what in most of such cases is the very foundation of his business. When a lawyer gets to the point where he says: "I don't care for commercial business," or "I am thinking of dropping commercial business," or "I would like to quit" or "wish I had never taken up this line of work," he is admitting a failure and at the same time confessing to the cause of his failure.

Earnestness in a work means a love of it and without a certain degree of love for one's work no true success can follow. Earnestness too makes up for a lack of many other qualities. The earnest ignorant man will often succeed, where the indifferent wise one fails.

At C. L. L. A. conventions I always enjoy the diletante, the lounge, the me-for-a-good-time, the let-George-do-it, the porch-chair artist and story teller, but I take off my hat with profound respect to the man who when the gavel falls is in his place in the Convention, interested, alert, watchful, resourceful, earnest, and who, when the Convention has adjourned, has written his personality into League history. I forget the first man. I cannot forget the second. The easy fellow pleases me, the earnest man wins me. The former gets my friendship, the latter gets that and more—my business.

Says one: "The longer I live, the more I am certain that the great difference between men—between the feeble and the powerful, the great and

the insignificant—is energy—invincible determination—a purpose once fixed, and then death or victory. That quality can do anything that can be done in this world; and no talents, no circumstances, no opportunities, will make a two-legged creature a man without it.”

Be prompt.

Punctuality, which is akin to promptness, is said to be the courtesy of kings. In general, it is a pretty fine thing. As a business virtue, nothing surpasses it. All good business men are prompt. In a Commercial Lawyer it is a *sine qua non*.

As I have said the Commercial Lawyer deals with business men, and what is most important to consider, in certain of his employments he is a competitor of the business or non-professional man. Dealing with business men he is gauged by business standards and, as he knows, a business man wanting in punctuality can not maintain his credit or standing. As a competitor of laymen, many of whom are trained business men, he must lose out if he fails to measure up with them in this as in other things.

Meeting in New Orleans one day a lawyer friend I put the highly original conundrum, “How’s business?” and for answer I received the stereotyped reply, “Oh, I can’t complain,” but he did complain, for in answer to my query as to whether he was going to the League convention at Colorado Springs he looked sad and remarked, “Well, I have about decided to give up the commercial end of my business,” meaning, of course, “collections,” which term seems in some minds synonymous with commercial law.

What the answer had to do with the question, he will have to say; I can’t. “You see,” he went on, “the situation is becoming intolerable to the self-respecting lawyer. From the moment a claim is sent him he becomes nothing but a hired man. Scarcely has the claim

been docketed ere there is a request for information regarding results. To a man who is practicing law honestly and trying to do right by his clients as well as by himself this system of espionage is intolerable."

"Yes," I said, "in a measure, you are right. But forwarders, many of them, are in the business in a large way. They can conduct their business successfully only through the adoption of methods, and methods mean system.

"Unfortunately, too, system requires that the methods adopted shall be such as fit the great majority of cases. The forwarder can not know personally all his attorneys and can not modify his methods to suit the character and habits of each. He might have confidence in your doing the right thing at the right time and reporting results, but with the next man he might not have such confidence. He can not do a large business in a closely personal way, for much must be left to clerks, who must be governed by certain rules of procedure and unfortunately all rules must be made not for those attorneys who do business promptly and well, but for those who fail to do so. Hence, you who do business right must suffer the humiliation you speak of and rest under the assumption that you need a jog of the memory at frequent intervals. So you can't help becoming, as it were, a part of a machine, distasteful though it is."

Then I thought to myself, why should the lawyer find it distasteful to thus find himself held to strict account in his actions. Every other line of business requires of its devotees that they walk the chalk line. The banker, the merchant, even the physician, is held strictly to account as to the matter of prompt performance of duty.

What divinity hedges about the lawyer that once being employed he should not be interrogated and held to account for his use of time and means.

I have mighty respect for my New Orleans friend and I think I, in a measure, understand and appreciate

his point of view. This man ought to be happy in his work and as long as he holds his present view of what is becoming to his dignity he ought to keep clear of the commercial side of practice, at least so far as it relates to "collections."

The vast majority of Commercial Lawyers are prompt to act and prompt to report. Modern systematized offices require it. A lack of promptness, which characterized the whole profession years ago is confined now to a small minority.

Unfortunately business men charge up to the whole class the faults of the few. The whole world of Commercial Lawyers is damned if the client has a few sorry experiences with some of the weak sisters. So, for the betterment of all, we must continually preach promptness, though most of those who read these words I am sure do not need them.

Promptness in answering letters is really a splendid habit. It is a joy to the sender and a joy to the receiver. It greases the wheels of business. It does away with much of its worries. It costs less than tardiness.

The lawyer who complains that he is flooded with requests for reports, useless ones he says, will generally find that a prompt answer to request number 1 would have prevented requests No. 2 and 3. A asks B for a report on a matter in his hands. B neglects to reply. In two weeks A writes again. B still neglects. In ten days A writes again. B now thinks the miserable client has nothing to do but write him for a report. The first request promptly answered would have given no such impression.

Many useless letters are written Commercial Lawyers by Forwarders and clients which somewhat try their patience. But a prompt, brief, courteous reply under such circumstances is better than a loss of temper or a stubborn silence. The former may cost a little ef-

fort, but the latter may cost a client or a connection, which, if not now, some day may be worth while.

Forwarders do not write letters to their attorneys for the fun of it or to spend their money. They want what they ask for with a very laudable desire to be able to post the client (the Receiver's as well as the Forwarder's client he is) as to the latest development in the matter. The client has a right to this. The Forwarder is bound to get it for him.

The reason oftentimes for frequent requests for report is that the Receiver leads the Forwarder to think that within a time more or less definitely stated something will happen. The Forwarder makes note of this and reports it to client who also makes note of it. When the time rolls around and no report is forthcoming, the request comes, and, this being neglected, soon another, and another, sometimes for a period of months, until the Receiver thinks he is being persecuted, when in fact he is the persecutor.

Another reason for requests for reports, lies in the fact that Lawyers' reports are frequently not definite enough. They do not contain enough facts to warrant the Forwarder in suspending action wholly or indefinitely. In such a case, if he has a systematic office, he "tickles" the item for some time in the future by which time he figures he can reasonably expect a full report or return of the matter. After waiting the required time his office system automatically brings the matter forward and the request goes out.

This requesting of reports is not a hap-hazard or happy-go-lucky way the Forwarder has of putting in his spare time. Many Forwarders, the best of them, have many thousands of items of live business in the hands of thousands of lawyers. Some system must be devised so that as long as a matter is not dead it must come up periodically for attention. So long as it is in a Receiver's hands it is assumed to be alive. This system is

automatic. Every day there comes before some one or more of the partners or clerks all the matters which the revolving wheel of time brings that day to the surface. There may be a hundred items. A report is due on this one. A letter is written. Another date is chosen some days ahead when it must come up again if the letter is not answered and then it is ticked for another date and another letter. Nobody in the office is trying to persecute anyone. It is business—plain, sensible, necessary business. Without some such method the Forwarder would be in purgatory in thirty days or in the insane asylum.

The really exasperating cases—exasperating to the Receivers, are where requests are made for reports, which seem to ignore the existence of all previous reports. An example of this is where a report had been made that the debtor was dead. Later another request for report was sent out. The reply was “still dead.”

In many cases this trouble arises from a failure of the Forwarding office to note and to brief the report on the docket or claim file or a failure of the correspondence clerk to read and note the true status of the claim before writing. It is this sort of mistake that gets the Receiving lawyer by the ear and causes him to howl over the useless letter writing he is put to. We have known offices where the routine of asking for reports was left to incompetent clerks, sometimes short trousered boys or gum-chewing girls, who even if they read the record, could not comprehend what sort of a request should go out.

Time and time again Receivers are asked to report on claims already returned, claims paid and accounted for, claims filed against estates where, as reports already show, nothing can be expected for months to come. These are the unhappy things that turn the profession red in the face and tend to make this branch of the practice undesirable.

However, a courteous reply to even the most outrageous letter is a paying investment.

Everything the Receiver can do to help the Forwarder who favors him with his business to retain his business connections should be done. They are in a sense partners, for if A's slowness makes B loose client C, then A has lost client C who goes to Forwarder D with his business who employs E, whose office is across the street from A's. Many a Forwarder has lost a valued client because that Forwarder's correspondent has either neglected or bungled the client's interests, or, what more often happens, because the client can not get a report from the Forwarder **because the Forwarder can not get one from his correspondent.**

To my own knowledge this occurred: My office, in the days when I was practicing, sent a small item of business to a New Jersey law firm for D. M. Ferry & Co., the big seed house in Detroit. The law firm acknowledged receipt of the claim and then went fishing. No amount of inquiry could elicit a report. Two months rolled by and to my pleased surprise the seed firm came in one fine morning with a spanking big case against a seed house in that same New Jersey town. Did our friends in the former case get the grown-up piece of business? You get the answer. Many a lawyer has kept his postcard or his postage stamp and while doing so lost what would pay a month's rent or buy his wife that dress he has long promised her.

It is well to fret and fume because every body doesn't do just right, but make sure you do the thing it is up to you to do and do it promptly, if not because it is always pleasant, then because **it is always profitable.**

A lawyer who is prompt with Forwarders and clients is in position to command favors in the way of more and better business, a wider field of operation, and in other ways. He soon becomes known as prompt and once that knowledge sticks in the offices of the Forwarders

of business he will find he is being trusted to do things when he ought to do them and the "nuisance" of frequent requests for reports will be solved for he will seldom get such requests.

As to promptness in doing work entrusted to him, it goes without saying that this must ever characterize the successful practitioner of this and every other specialty. I lost the best prospective client I ever had by putting off for twenty-four hours something that should have been done at once. That client was a shrewd business man. He saw in that needless procrastination that the young man had a fault, and, while nothing was said, a second piece of business never came from that source.

If a thing cannot be done when it is due to be done, the client should be informed in order that, first, you may appear to him to be honest, and, second, that you may be comfortable yourself, and not be accused later of neglect.

Most reasons for lack of promptness given by men and women will not bear analysis. Some people dawdle over their work; some fail to arrange matters orderly; some are lazy; some are constitutional procrastinators and don't realize it; some are sticklers for the eight-hour day (who ever heard of an eight-hour day for a lawyer?); some play golf and some politics. When a man is too busy to do his work he is making money too fast; he needs somebody to take his work away from him, and somebody will.

Clients never desert a prompt correspondent. Forwarders do not go shopping for other representatives in his town. He is elected for life.

An important consideration, too, is this: Forwarders sometimes put up indefinitely with an unsatisfactory representative, so long as the matters they have to send are the average, every-day sort of claims. But let an extra good matter come along, one that opens the eyes of the forwarding clerk, and he hesitates. Here is something

demanding action. Can we get it from this man? Then there runs through the forwarder's mind his long-continued, laborious efforts to get little matters reported and disposed of. The managing partner is called into counsel. Result, the good item goes to a well-recommended stranger.

There are towns and cities of no mean size where nobody has even yet found a good, prompt correspondent at the Bar. Our readers would be surprised were we to name some cities we have in mind where if you drop a claim anywhere in any law office within their corporate limits it will be dead to the outside world in ten days. Law list publishers are constantly writing me: "Can't you get some live man to locate in _____?" There is not an attorney in the town with any idea of the requirements of the commercial work. We have tried them all and there is no hope." Yet Martindale's American Law Directory rates scores of lawyers as practicing in those towns.

Be Courteous.

Once in a while we find an old lawyer who exhibits the delightful manners of what we are fond of calling "the Southern gentleman." I am sorry to say it is once in a while only. There is something about the practice of the profession that hardens. Old lawyers are likely to be rigid, austere and even discourteous—particularly to younger members of the profession.

A dear memory of mine is that of an old Detroit lawyer, William A. Moore. It was he who held out a kind hand to me when I stepped over the threshold into the great, untried world of business. It was not his doing this that pleased me so much as it was the way of his doing it. It was as if I were doing him a favor. Then for twenty-five years there came a friendship, wonderful it seemed to me. There was always that courteous bow and sincere hand grasp, that beautiful simplicity of manner and expression and that kindly

affection. I have gone out with him at daybreak from a college boy's banquet, and he 75 years of age, and his only regret was that he couldn't sing as loud as they.

He kept sweet to the end. His life became a fragrant memory with hundreds of Michigan lawyers. I have wished a thousand times I had cultivated his virtues in myself. But perhaps the soil wasn't right.

A writer in the Philadelphia Ledger says:

"A pleasing manner is an important essential to success in any business. A gentle, courteous manner will win recognition anywhere. So much depends upon first impressions, and these are favorable or unfavorable according to whether a man is polite and courteous or brusque and nervous in bearing.

"We cannot always judge a man by what he says or does, but the way in which he says or does a certain thing will prove the best index to his character.

"A pleasant, courteous bearing will help a man to success in business where a boorish, impatient manner will turn away customers. The brusque man may be as well meaning as his more affable rival, but people have not the time nor inclination to find out what is beneath the rude exterior; they prefer to patronize the man who makes it plain that it is a pleasure to serve; that the world is a mighty pleasant place, and that he is glad to be alive.

"If you are not the possessor of a pleasant manner, start in to acquire it. You will find it an immense help in making a success of anything you undertake."

A woman left to support herself and children by the death of her husband, applied to a firm for employment.

"What can you do?" she was asked.

"I can write a polite note," was her answer, and she was employed, for the firm was badly in need of a polite letter writer.

It is a difficult matter, I am told, to find people who can answer complaints in business houses in a way to retain custom.

Instance after instance can be quoted of young men receiving positions and advancement by reason of their courtesy under all conditions.

We often hear of the courtesies that characterized the lawyer of the South in the "palmy days." There must be much of truth in the stories, because so many are told.

Sitting in the lobby of my hotel in Detroit a few years ago, I made the acquaintance of a man who formerly lived in southern Missouri. An act of discourtesy we had witnessed diverted our conversation into this channel. Not knowing that I professed to be a lawyer, he exclaimed: "The legal profession used to be distinguished for its high-toned courtesy. What has become of it? Why, sir, I can remember back in my early life in Missouri, the court days when the lawyers came to town, and I shall never get over the impression they left upon me. The figure of the typical Missouri lawyer was tall and slender. He took pride in a luxuriant growth of hair. He wore a broad-brimmed hat of good material, a Prince Albert coat and the looks of a dandy. When he came into court, removed his hat, ran his fingers through his flowing locks and with a bow, refined and courtly, acknowledged the presence of his fellows, you felt you were in the presence of something fine, and, if later you saw him in the trial of a case, graceful, courteous, never losing his poise, eloquent and impressive, you were won to him instinctively and irrevocably. Where are such lawyers now?"

I reflected for a moment, called up the figures of men I had known at the bar, recalled the court scenes in which I had either been a participant or an observer, and I feebly answered: "Your question answers itself."

Brothers, it is a matter you and I need to think

about. Are we among the few about whom clings the aroma of old-time courtesy. Are we to be numbered among the men who will be remembered for our gentleness, our consideration, our graciousness. Do we belong to the aristocracy of manners, or are we of the great majority who have neither the inbred nor acquired manners of the cultured gentleman?

It is, indeed, rare to find a man holding on to this precious quality of courtesy through all the vicissitudes of a busy life. I have a friend in the profession who twenty years ago was the quintessence of courtesy, but he has moved into the great city and has been fighting for place, and now his letters, while reflecting at times some of the old nicety of tone and color that made one feel rich in their possession, jangle like a harp out of tune; one can see and feel in them the hurry and the worry, the scowl and the frown. It is a pity. It's like going out into the garden some fine morning and seeing the roses on your favorite bush which when you left them the evening before held glory and sweetness in their gorgeous petals, all drawn and withered by the frost, leaving but a memory in your saddened heart.

If I had my choice of one human quality that should go with me to the last it would be that of courtesy, for true courtesy not only voices itself in joy to others, but it embraces within itself everything needful to man himself.

Where, I ask again, are the ease and dignity of manner, the old professional ideals, the fertility of diction, the versatility of talent that characterized the lawyer of the olden time?

Church, Fraternity, Society.

I am going to treat this subject in narrative form. I will give it a sub-title, "Stories Out of My Own Life." Pardon the first person singular that appears so often.

My first two years in practice was in St. Paul. I went there a young man of twenty-three. The only St.

Paul men I knew when I alighted from the train, a stranger in a strange land, was a plumber, with whom I had playmated back in Ohio, and the mature lawyer who had offered me a partnership—himself a resident of St. Paul but a short time. We had during our first months little business. I boarded at a modest hotel. The proprietor took a fancy to me—so did his daughter. They both insisted that I join their lodge (or father's). I had seen some of the brethren and was not tempted beyond endurance, until my board bill got so large I could not refuse. I joined. I found myself in a polyglot crowd, the character of which beggars description. I had just come from college, where I had taken a brass medal for oratory. As bad luck would have it, I had to make a talk to the lodge. That settled it; I must be given an office. So I was made some kind of a royal stick-bearer and given a throne. I found I was the only lawyer in the crowd. If I had been a queen bee in a regular hive I could not have been more popular, and the popularity slopped over into my law office until my staid old partner wanted to know what sort of a game I was running, with all the peddlers, second-hand dealers, broken-down Seventh street merchants and their wives and relatives running to me with their troubles and without money. I said: "D. V., I'll make another start." I gave up my throne, resigned my membership and resolved that lodges were not the stepping stone by which I should rise to fame and fortune.

Long afterwards I went into Masonry, but it was after my feet had strayed from the paths of the law and into those of journalism, so I cannot say what Masonry might have done for me. I know it brought me into close and intimate relationship with hundreds of business men, and anything that does this is worth while. It should be said, however, that Masonic rules deny entrance to the order to an applicant who joins for selfish motives.

The best piece of business our firm had, and it took a Supreme Court decision to settle it, came to me from a college fraternity brother, Frank H. Scott, then of Hamline, Scott & Lord of Chicago. I called on Scott as I was passing through Chicago on my way to locate in St. Paul. We had been fellow-members of the Beta Theta Pi Fraternity, though he was a Wisconsin man and I a Buckeye. A few months later he sent me this piece of litigation. It brought a large fee. **The fraternity did it.**

The next largest item of business we had was in connection with the failure of a large vehicle house in St. Paul. Its managing partner was a fellow-worshiper with my partner in a Congregational church. **The church did it.**

I was not much on church myself, but I loved music and worked at it a little. Led by some musical friends I became interested in a young church that needed a little amateur musical talent. The big man in the church was a Mr. Bushnell, a splendidly energetic fellow, at the head of a transfer and storage company, with a great and growing business. My widow's mite in the way of a feeble baritone went to Bushnell's heart, so that one day he asked: "Sprague, how is business coming?" "Well, I don't have to work nights," I said. "Come over and see me," he rejoined. In due time I came over and I corraled some fine business. **The church did it.**

When I moved to Detroit I happened to rent an apartment just opposite a church. Straying in one morning, I was so kindly treated I decided to enlist. I did not know at the time that some of the strongest lawyers in the city were members of the church, and that such great business men as the secretary of D. M. Ferry & Co., the president of the Detroit Safe Company, the secretary of the Banner Tobacco Company and the secretary of the Michigan Wire and Iron Works, the presidents of several banks were pillars in the taber-

nacle. A year or two rolled on. The church moved into a splendid new edifice on Woodward avenue. I had gained many friends by doing my little "bit" here and there in church and Sunday school, never with an eye to business, cross my heart, but always because by nature I had to be doing things.

The night before the dedication of the new church the proud parishioners were roaming about beneath the beautiful lights, treading reverently the elegant carpets, reminiscing of past days in the old edifice and comparing the simplicity of the first days with the wonders of the latter. I was among them, as proud as any one. I had stretched my financial abilities, too, as all had, to help pay for it. I wandered into the Sunday school room and happened upon C. C. Bowen, a deacon and trustee and a near-millionaire. He had a quick, nervous way of talking. "Sprague," he said, "that old piano doesn't look right in here. I said, 'No, Mr. Bowen, it is out of place. We should have a new piano.'" Thinking a moment, he flashed, "Come with me." In two minutes we were in a street car going up Woodward avenue. Hardly a word was spoken. I was too young and too modest to venture. He was too absorbed in his purpose. We alighted at the door of his beautiful home, went in and straight to the music room. "Sit down and try that one." He was pointing to his own elegant Steinway grand. I did not need to try it. I gasped an excuse. He insisted. I played "Nearer, My God, to Thee," or something appropriate, and said: "Mr. Bowen, you certainly do not intend to send this piano to the church?" "It will be there in the morning," he said, and it was.

But the best part of this story is to come. On the way back to the church Mr. Bowen said: "How are you getting along in your business?" I said, "Fine," and, correcting myself, added, "Considering that I have been in the city so short a time, and with no backing. 'I am sure I emphasized the word "backing." After a mo-

ment's pause the hoped-for came: "I might do something to help along. Come and see me."

Without indecent haste I found myself in the inner sanctum of the greatest seed house on earth, and one of the oldest and most successful enterprises of the country in any line. Within thirty days I was on a train headed for Dallas, Texas, with a commission to settle a boycott against Ferry seeds being waged in every Farmers' Alliance store in the south and the west, due to an unfortunate letter written by some one in the seed firm's office—a letter misstating the attitude of the firm toward the Farmers' Alliance, at that time a powerful organization in the southern and western parts of the country. I was given carte blanche and told to stay till I succeeded. At the end of two weeks my work was done and the boycott lifted by the action of the headquarters of the Alliance at Dallas. A few months later I was in the office of Dill, Chandler & Seymour, a great New York law firm, representing at a hearing before a referee the interests of D. M. Ferry & Co., the Banner Tobacco Co., the Lansing Iron Works, and so it went. My office after that never was without employment from the big seed house. **The church did this.**

I taught a bible class in this church, composed of mature women, some of them grandmothers. One of these women thought I knew more about the Bible than did the men who wrote it. Her husband told me so one day and said if I knew as much law as I did Bible he would employ me. I said, "try it," and he did. So it came about that I represented for several years the Banner Tobacco Company of Detroit. **The church did it.** In this same class was a miserly old woman with no relations. She was about to die and sent for me to draw her will. To my surprise she wanted to leave me some of her money. I put aside the crown and had the money go to charity—though the Lord knows I needed it. I got a fee. **The church did this.**

But I fear I am boring you. The point I want to make is that it pays to belong to something, and I do not want to have to argue it.

Let me caution you that in the relations that brought the business I have described, and much more besides, I was not acting a part. I was not trying to conceal a purpose to work men and women for business under the cloak of religion. I would have despised myself had the thought entered my mind in those days. My father was a good Baptist deacon, and church-going during the greater part of my life—particularly in my twenties, thirties and forties—was a settled habit. I got what came to me by being in the way of it and not going out of my normal way to get it.

A general caution should be interjected here. Merely belonging to societies and groups of people is no way to win. One must be active, show capabilities, enthusiasm, earnestness in the cause; in other words, become more or less a leader, conspicuous, though not necessarily forward or showy. As I look back on my early years in the practice I see how naturally I got business from society sources. It was because I never went into anything but what I took an oar and helped pull, and, being young, vigorous, temperamental, I pulled to good effect. This brought friends and good opinion and the rest followed. Naturally, they said, if he is thus active and successful in these matters he must be so in his business. This all sounds too personal as I read it, but I let it go because it is a leaf from real life, and life beats theory.

Every society presents opportunities to its members to be seen and heard. There is debate, parliamentary tangles, committee work, matters requiring advice and counsel, interpretation of laws and scores of circumstances to bring out individual talent. The lawyer who, in such gatherings shows a clear head, a clever, adroit or tactful mind, a diplomatic genius, a grasp of

the essentials and, particularly, a working knowledge of parliamentary law, has a unique opportunity to display his wares in a manner entirely ethical and proper.

In joining societies and groups be sure that the society or group is composed of people worth while knowing. The Commercial Lawyer needs to be known to men of affairs, not men of the dependent class or the idling class, but to men of the productive, independent class that control business. Such organizations are chambers of commerce, high-class clubs, trade organizations, civic bodies, churches, some fraternities (not all), rotary clubs and others like these in that within their borders congregate the real, substantial men of the town.

But eschew the purely polite society, the dilettante circles, the pink tea variety. Being known as a choir singer, the best dancer in town, the Beau Brummel, the favorite ladies' man, gets the lawyer no place that we dare mention.

Never advertise in your society that you are a lawyer. Advertise yourself as an earnest, intelligent, likeable fellow, and those about you may be depended on to find out your business. The man who enters the room announcing "See, a lawyer approaches," is going to find a wide path through to the door beyond. I used to know a man who, on being introduced to a stranger, could not talk five minutes, indeed scarcely utter a dozen sentences, ere something reminded him of a case he once had in judge so-and-so's court. Such a man deceives himself. He is making an impression, but it is on the wrong side.

Acquaintances.

A Commercial Lawyer's acquaintance is his capital to a large extent. Other things being equal, the larger the acquaintance the larger the employment or the chances of employment. It behooves the Commercial Lawyer, whose success so much depends on volume of

business, since his fees on the average item on his docket are small, to cultivate every opportunity to make and keep acquaintances.

In this connection the ability to remember names and faces is a priceless talent. It can be cultivated and it can be lost. Years ago I scarcely ever fell down on a name and a face. Now I must sometimes be introduced to myself. I know a man who never meets a stranger that he does not jot the name down in his note book with a statement of where and when he met him and a word as to how they met and what they talked about. He was an insurance agent with the biggest personal acquaintance in the city. No wonder! It would do no harm to try the plan. The mere writing of the name helps fix it. An occasional thumbing over of the leaves perpetuates the impression. It is a fine thing to have a man you met casually say to you six months after, "How do you do, Mr. Smith? How is that matter coming on you told me about?" Smith wonders and then holds his head a little higher to think he had made so lasting an impression on a man of the street that six months after an introduction his name was not only recalled, but his business affairs. A man spoke to me in the LaSalle hotel in Chicago the other day—just ran against me as I was going out the door. "How do you do, Sprague." I turned, took his hand, and a million dollars was as far away from me as his name and face. And even after he told me his name I could not place him. Yet, after ten years, he recognized me at once and called up matters of unusual interest. I was flattered. I felt it. I was humiliated, ashamed that I had to confess by my manner that he had passed out of my life.

Make acquaintances and remember them. Go where men are—the right kind of men. Be a man among them, joining in their work and recreation as a good fellow, but at the same time a self-respecting fellow.

Meet men on the level—none too high for you, none too low unless at the same time base. Be a good hand-shaker and let the grip mean something. Be an optimist, so that men will be glad of your comradeship. Be a good listener, but be ready when your time comes. Have convictions, but don't be a bigot or a partisan.

Parliamentary Law.

The lawyer in city or country who mingles with men and joins with them in organized work or play of any sort should be a good parliamentarian. There are so few experts in this line that the man capable in this direction is a marked man and largely sought for leadership.

At the first convention of the C. L. L. A., a slight, black-eyed, black-haired, nervous lawyer was among those who came from the south. The convention was not a day on its way ere Ernest T. Florance of New Orleans was known to over 400 men and women present, ninety-nine per cent of whom were strangers to him the day before, as the parliamentarian of the convention, so that in the closing, turbulent hours of the meeting, with the presiding officer much of the time on the floor engaged in the tussle of debate, and a strong hand was needed at the gavel, Mr. Florance was asked to preside. In a very few years he became president of the League. Few men attracted so favorable attention in League and American Bar Association meetings as did Mr. Florance, because of his keen, accurate and forceful presentation of a parliamentary situation.

In 1897 the National Association of Credit Men met at Kansas City. It was presided over by a fine man, but a child in the matter of presiding over a deliberative body. One afternoon he became so involved he called another to the chair. This man in turn failed to unravel the tangle. In the back of the hall a young credit man from New York arose and in clear, well spoken English showed the crowd just where they were.

It took not many minutes to put William A. Prendergast in the chair. A little later he became national secretary of the Credit Men's Association, and later comptroller of the city of New York. He nominated Mr. Roosevelt at the last national republican convention. He has been a candidate for congress, but on the losing ticket. I have always traced his success back to that day in Kansas City when in an instant he stepped over the heads of hundreds of his fellows and went to the front—and to stay.

In the average town meeting a working knowledge of parliamentary law on the part of any one is rare. The lawyer, particularly the young lawyer, has here a quick way to win.

Acquaintance Away from Home.

As a large part of the Commercial Lawyer's work is as attorney for non-residents it stands to reason that a wide acquaintance abroad is desirable. The more nearly personal this is the better. How shall he get it? First, by so conducting his work and his correspondence that non-resident people whom he serves may want to meet him and may want others to meet him. Second, by getting away from the hard stereotyped forms of letter writing and injecting a little of the personal and human element into his correspondence. Third, by making periodic visits to business centers and calling on those whom he has a right to expect will be glad to take his hand. Fourth, by attending the meetings of his profession—local, county, state and national and entering with enthusiasm into their social and business functions, making himself known by his gentlemanly, approachable qualities and his decently aggressive efforts to be of service.

There is no place conceivable that is better fitted for the making by the Commercial Lawyer of desirable acquaintances than is a convention of the Commercial

Law League of America. True, I have seen some men return home from one of these conventions poorer in influence and business than when they started out, but that was because of an unpleasing personality or too convivial disposition or a faculty for boring; but thousands of League convention attendants will say "yea, verily," to my assertion that they can trace their whole success in Commercial Law work to League conventions. In these conventions gather the representative men of the forwarding and receiving end of the business. They meet to get acquainted. Somewhat unlike the average bar meeting, the League's meetings are great family gatherings, where there is more calling by Christian names than in any sort of national gathering I have ever known. There are hundreds of League men who, by reason of their convention-made friends, could travel from Maine to California and the lakes to the gulf and on the average of once an hour drop off the train and borrow money. Some day I am going to try it.

When you have the opportunity, drop in on the leading Commercial Lawyers of the cities that cater to the trade of your town. Introduce yourself. Don't ask for business. That is not necessary. Get acquainted. Be brief; leave a good impression. Remember the call. Some may question this as being seriously near soliciting, but it is allowable to a degree. The man you call on will in most cases be as glad to meet you as you are to meet him. If he knows his business he appreciates an added acquaintance as much as you do. Never go with a begging air or a begging message, or present a card that touts so loud it disturbs the office. Meet the forwarding partner or clerk; ask to see how he keeps his records. Be interested in his work. Never mind your own. That will take care of itself.

System in Work.

System cuts so big a figure in the race that we de-

vote special attention to it on other pages. Suffice it to say here that lack of system is so apparent, where the condition exists, that it cannot be concealed. The experienced Forwarder has the unsystematic Receiver spotted at the start. One cannot win in the midst of disorder, confusion, chaos. The day of the lawyer who carried his papers in his hat or filed them under a paper weight has gone by—aut system, aut nil.

Stationery.

The Commercial Lawyer who seldom meets his constituency is known to them only by what he does as described on sheets of white paper. These sheets of white paper with their marks photograph their sender and they do it accurately. They describe how much or how little he has of order, judgment, taste, care in details, patience, energy, directness, force, learning, tact, courtesy, ability and the whole round of business qualities. The very type, wording and arrangement of the letter-head shouts approval or condemnation of him. A business letter on plain paper without a letter-head is a danger sign. More and more rare is the billboard style of advertising everything from law suits won to washing taken in. But you still see it. Not so rare is the letter-head that tries to make an argument for itself by clumsily worded announcements of special facilities, special knowledge, special inducements.

The engraved letter-head, good paper, and the plain business card giving firm name, profession as "Attorneys at Law," location, name of partners, telephone number, telegraph or cable code address if any, are winners. The paper cannot be too good, the type style too plain and tasteful, the engraving too clear and attractive. Such letter-heads strike you as does a well, but not overdressed, man. You at once recognize a gentleman of parts. He may not be that, but the chances are he is.

The smaller the business the less conspicuous the

location, the more impressive a good letter-head is. We might expect it from a high-class firm in New York or Chicago, but such a letter-head from a lawyer in Podunk, Texas, makes one "sit up and take notice." I would say in such a case that either here must be a good man gone astray, or Podunk must be more of a place than the census indicates. You at once think more even of Podunk. You wonder that a man of this man's fine taste and good breeding has not blossomed elsewhere. You don't think him foolish. You rather admire his nerve.

Now, the difference between doing a thing right and doing it wrong is so slight and the difference in results is so manifest and so important I cannot understand why there is not more attention given the letter-head. A letter-head before me recently described the owner as "council." I do not know whether he can practice law successfully. He certainly can't spell. If you were to meet all your clients some day in conference you would not go in your negligé or in careless, unkempt attire. You are going to meet business men from the great cities, prosperous, well-groomed business men—men who are accustomed to observing and judging men. You, of course, want to make a good impression. Well, in your correspondence throughout the year you are meeting these clients. Your letters are your proxy. Your letter-head is going into scores of the great offices of the country to lie on mahogany desks, to be handled by well groomed men of affairs, to be compared under the pitiless light of day with scores of other letter-heads—unconsciously so, but really so. Do you want to get rated by the showing you make? It is a small matter and it isn't a small matter. Impressions count. Shabby clothes, if you can buy better, are a sign of character and injure you. Just so with that letter-head. If it is shabby, and you can buy better, it disgraces you and injures you.

What I have said of letter-heads applies to business cards.

Letters.

A lawyer's letters even more than his letter-heads bespeak his character. Much I have said as to the latter applies to the former.

Avoid the long-winded letter that tells in paragraphs what should be told in sentences and in pages what should be told in paragraphs. This sort of letter peeves the reader and often for that reason fails to gain its purpose. I have correspondents whose envelopes I dread to open. I know that when I do I am in for it. Learn to say things briefly and quit. The habit is a winner.

Avoid the facetious, smart-aleck type of letters. It belittles the subject and gives the idea that you cannot be serious. This sort of letter does not impress the reader with your ability. It does not win.

Avoid the abusive letter. It gets nothing but you yourself. Hold such letters when written till you have come back to yourself. No matter how much the object needs abuse, don't descend to the level of the common scold. Such letters react. They do not win.

Avoid writing on two or more subjects in one business communication. Under modern systems of filing such letters give great trouble to filing clerks and are a general nuisance, for often the several matters must have the attention of separate departments. Delays ensue while the one letter is making the rounds.

Avoid over-worked typewriter ribbons, poor carbon paper, broken type, untidy erasures and everything that gives the impression of indifference or lack of care. A very little expense of time and money is required to enable one to escape criticism in this respect.

Study the letters you receive from high-class firms in order to get a pleasing style of opening and closing, dating, paragraphing, spacing, margining, etc. Once

a good style is adopted your office will in time automatically adhere to it.

It is a joy to read a succinct, well constructed, well composed letter written on a good machine, with a good ribbon, on fine paper, embellished with a dignified head neatly engraved. Such a letter breathes tone, character, responsibility, worth, self-respect and good taste. It means care and ability and these spell success. Not one firm in a dozen rightly appreciates this as one of the ways that win.

Remitting Instalments.

Every one will agree that the prompt remitting of money collected is one of the ways that win. Promptness in this respect characterizes the successful Commercial Lawyer, but not every one realizes the advantage to be gained from remitting partial payments promptly when made. The business advantage to the lawyer lies in that every time he hands his client a check he is recommending himself in the most positive and unmistakable terms. A check is the best solicitor and practically the only solicitor the lawyer can use. The more frequent the checks the more powerful the solicitation. A hundred dollar item, collected ten dollar at a time, means either one good impression on the client or ten. Which is preferable? The former surely is not, for while the lawyer is accumulating money in his own hands the client is not getting his money and is uneasy, even though he may know and understand that the claim is in process of settlement. Ten checks of ten dollars each, less fees, means ten assurances to the client that you are looking after his business promptly and successfully, and it means, too, that he is able to bank the money collected, which is some advantage to his mind.

Making Remittances Pay.

A lawyer once told me that he never sent a remittance to a local client by mail, but always either handed it to the client himself or through a messenger from his

office who was capable of talking business. His reason was that at no time is a client in so amiable a mood as when you are handing him the proceeds of a doubtful claim. Never is he so liberal, so free with his favors, and never so much disposed to let go some other matter or matters that are ripening for the law office. This often occurs when the check changes hands: Turning to the bookkeeper the client remarks, "Jones, how about that Scranton account? Had we better not let Blackstone do a little urging on that?" At any rate it always precipitates talk along business lines and this ends generally in employment. The lawyer does not run any risk calling on his clients. They like it, particularly if he has results to report.

In remitting money by mail a good impression can be made and more business obtained by a simple, easily understood statement of the amount collected and the amount deducted, with all credits and debits itemized. A bare statement that herewith will be found check for proceeds of collection, less fee and expense, is not enough. This makes a bad impression. The client is entitled to know the items of the charge. If you cannot see the client personally or through a responsible representative make the remittance do the work of an interview. Leave the client no question to ask. Let him feel, when he receives your check, satisfied that what he holds in his hand is all that he is entitled to, because you have made the transaction plain. If he has in mind at the time another matter in your vicinity be sure he will think of you in connection with it.

Attention to Small Matters.

Carelessness and indifference as to the fate of small matters in his office has lost to a lawyer many a valuable client. I have always contended that the Commercial Lawyer was in duty bound to consider everything accepted by him by way of employment as worthy of his faithful attention. If it is worth doing at all it is worth

doing well. No matter should be taken into the office and then sidetracked because of its seeming unimportance. As long as it is on the docket it is worthy of the best the lawyer can do for it. When he has failed with it, he should return it. Many a client has judged a lawyer from the latter's treatment of some seemingly insignificant matter. I always dreaded the client who said to me, as was said more times than once, I have a few matters here I want you to try and make something out of. I knew by this I was being put on probation and that I was being handed a few lemons with the juice sucked out. I learned to know that it was not so much what I got out of these trial matters that fixed my status with the client as it was my willingness to handle them and the spirit I displayed in doing so. I recall a trial, and it was a real one, that was given my office by the Michigan Malleable Iron Co. of Detroit. They had been running a poor quality of iron. Much of their product would not stand up when sold and in use, so that hundreds of dollars worth was returned and bills without number repudiated. Some of these bills, against which there were valid defenses, were given to me. They had been in other hands. Others had discovered the state of affairs and laid down on the job. Not so with me. I treated each one individually, failing here and succeeding there, nearly always getting something, until the client, seeing my fidelity in these well-nigh hopeless cases, began to give me good employment. It is the old idea of "faithful in few things, I will make thee ruler over many," changed to "faithful in small things, I will make thee ruler over large things."

Earle W. Evans of Vermillion, Evans, Carey & Lillestone of Wichita told me once that one of the firm's greatest business connections came from an insignificant collection. There is not a Commercial Lawyer in the world that has not a like story. I have many of them. Despise not the day of small things. Wrapped up in a ten

dollar item may be the chances of employment at fees in the thousands. No lawyer may consider himself bound to take everything that comes, but when he takes a matter he is bound by every rule of decency to attend to it. A failure to do so is a way to lose; a conscientious and continued effort on an insignificant matter, known to the client, is a way to win.

Obtaining High-Class List Connections.

So large a proportion of the commercial business of the country goes over lists that it is practically impossible to obtain a commercial business without having a representation in some of these. Care should be taken in the selection of the lists and judgment used in the prices paid for representation. There are several ways by which the value of these lists may be learned. A member of the Commercial Law League of America is privileged to draw on the records of the League, where an accurate estimate is compiled from reports made on the lists by all the members once every two years. A non-member of the League cannot do this.

A non-member of the League may be subscribing to the service of one or more of several men in New York who describe themselves and their business as "attorney to attorneys," or words to that effect, and through them obtain expert advice as to the value of any particular list.

A non-League member may require before accepting list representation that he be told the name of the lawyer in his town whom he is to succeed in the representation, if any one. Inquiry of this gentleman may elicit valuable information, though not always unbiased.

The names of the law lists roughly classified will be found on a later page, as well as additional treatment of the subject of law lists.

Representation of the Best Agencies.

A representation of the better class agencies that control business in the lawyer's territory should be ob-

tained. The names of both lawyers and agencies that control ninety per cent of the country's business are given in later pages of this book. In no case should the lawyer who aims to be professional in his conduct pay for such representation, under any sort of guise. It is buying business—nothing more or less. Representation of R. G. Dun & Co., the Credit Clearing House, some of the Snow-Church offices, many of the trade agencies, is very valuable, but these ask no money from their attorneys, excepting in a few cases, as the Wilber Mercantile Agency, where the agency issues a high-class list of attorneys and the money asked is for insertion of the name therein. Beware of the agency that, publishing no list, asks lawyers for a bonus for its business and in addition a division of fees. The claim that the amount asked (which we term a "bonus") is for a special service of some sort, as giving information on law lists, etc., is generally a mere whitewashing of the real transaction. The lawyer is buying business.

The Card for Office Attorney Lists.

As many forwarders keep their own list of attorneys and as this list is usually kept on 3x5 cards to fit the standard filing drawer, it is not unprofitable to print the firm name, etc., on these cards and place them with forwarders. My observation is that such cards are filed as requested and referred to when occasion requires.

Advertising.

I am wondering if the modern lawyer realizes that he lives in another world than that of fifty years ago—perhaps not a better world, but surely a different one, and that while he may not use the daily papers, or the flaming billboards, it is up to him to discover how in this eager era of competition he may make an impression on the public and maintain it.

I have often asked myself which I would rather be, if I must be one or the other, over-cautious or over-

confident. I think I would prefer to be the latter. The over-cautious man misses a lot, if only the pleasure of the game. In nearly every case it is better to have tried and lost than never to have tried at all. I admire an aggressive, self-confident man. I can easily forgive his mistakes. I never can admire or forgive the timid, wobbly, self-depreciative man. As for myself I would prefer to get to the wrong place than not to get to any place.

It is not easy to place the proper value on ourselves, but we have to make the bluff, because we are all in the market. Each of us has something to sell, whether it be muscle, brain, pluck or what-not. The man who hides himself now is likely to find himself next season among the "hold-over" stock and a candidate for the bargain counter. Self-depreciation does not pay because it is marked down value, and marked down prices always throw suspicion on the quality. There is nothing that helps a man up so much as thinking himself up. Thinking often makes it so. A man's assertion of his ability to do helps to create that ability. Napoleon looked upon things that were possible as being already done. When his engineers reported that there was a bare possibility of leading an army over the Alps, he already saw himself facing the enemy on the plains of Italy. Napoleon, you will say, died a prisoner on the barren rocks of St. Helena. Granted. But he is one of the few men who have shaken this old world till its teeth rattled.

If I were starting life over again and wanted a life motto I could find none better than "A posse ad esse."

I know men who bewail the fact that they never had a chance to demonstrate their ability. Piffle! These same men, were the chance to come along, would need a swift kick from behind to waken them to it.

What would one think of a merchant who, on getting new goods, would display them once and then put them away out of sight? He has goods and he knows

he has them, but no one else does. Many a man has launched his career with a great splurge and then has retired for the rest of his life. The world heard of him once and then proceeded to forget him, because he hid himself.

In plain, unadorned English, don't be afraid to speak a good word for yourself. Don't forget that we must not only be fit, but we must emphasize that fitness through a spirit of aggression until we get what we want, or what we deserve or think we deserve.

Many timid souls are strong and true and trustworthy, but you will agree with me that when the world wants a great work done it invariably turns to the brave, aggressive, self-assertive man.

Just how far may a lawyer go in advertising himself? I use the word "advertising" in a higher sense than when it is applied to a department store. Perhaps I should ask, how far may a lawyer go in affirming his fitness for his work? Shall he be satisfied to paint his name on his office door in the narrow corridor of an office building and then retire to wait for the public to dig in to him, or shall he continually assert himself in some positive way, compelling the public, willy nilly, to know him and what he stands for?

I am free to confess that the day of the over-modest man has passed. When there were few men to do the work there was engendered a professional backwardness and lack of self-confidence. Latter day rivalry has taught business men that self-assertiveness as well as self-confidence are necessary to success, and that to get on one must push.

Merchants long ago did not advertise. Then there came A. T. Stewart, who taught a new way that was distasteful to the old-fashioned merchant, but was so successful in its operation that others had to fall in line. The great stores of London, England, never used the daily papers, except sparingly, until a few years ago an

American, brought up in the school of Marshall Field, the merchant prince of Chicago, startled the sleepy tradesmen of the world's metropolis with an American store, advertised in the American way. Now London merchants are falling over each other to beat the successful "Yankee" at his own game.

Advertising by men in professions, who are debarred from commercial advertising, takes various forms. Some affect eccentric dress, or manners, some talk loud and long in public conveyances and wherever an impromptu audience may be found. Some are joiners and make themselves conspicuous in fraternal and other organizations. Some take to politics and office for publicity's sake. Some use black type in law lists and law directories. Some use the news columns of the local papers.

Unconsciously we all of us do more or less self-advertising. You pay your money and you take your choice.

Cultivating a Personality.

There are many of us who affect an indifference to personality as a business asset. Yet personality has been the best asset of many a successful man, and may be yours if you will learn and practice its charm. To be attractive to one's associates and the public generally does not require that one cultivate unmanly ways, nor does it necessarily demand fine clothes, a display of culture or wealth, or a profuse good humor and bon homme. One's personality is an intangible influence better felt than described.

The cultivation of a pleasing personality involves a study and exercise of every real accomplishment and virtue. Goldsmith said of Garrick: "He was the abridgement of all that was pleasant in man." It has to do with the face and figure and dress and thought and speech and manner. These and a multitude of other considerations enter in to make the pleasing per-

sonality that wins acquaintances, friends, clients, juries, courts and cases. I know a lawyer whose very presence in a case is an argument in his client's favor. His personality attracts, persuades, dominates. His opponent must be doubly prepared, for he must not only fight against a well prepared case, but against a well accoutred personality.

It is thought smart by young men to disregard the opinion of their fellows. They affect a don't care attitude toward their associates, social, political and professional, until the affectation becomes a fixed habit, and they lose forever the golden chance that a pleasing personality throws in the way of its possessor. Men do not care to meet such men. They are not easy to approach; they care nothing for other people's troubles; they have no confidants; they make no sacrifices; they never get out of themselves; they create no sunshine and permit no others to do so.

In selecting agents to do our work we purposely select, where possible, men of pleasing personality. For such men we pay more than we pay to others. Their market value in the world is at the top notch. In some lines of endeavor, as politics, the pleasing personality is almost a *sine qua non*.

John Sherman's wonderful ability never could atone for his lack in this respect. Personally he was cold, hence Ohio when urged to stand by him for the presidency split into warring factions, and, instead of a state united on a favorite son, a great part followed the banner of the Plumed Knight—the approachable, magnetic Blaine.

As lawyers we can never overestimate the value of a pleasing personality.

Ways That Do Not Win.

The following are for the most part unethical as well as useless:

Circularizing or writing forwarders.

Circularizing or writing business houses asking for direct business.

Advertising blotters, calendars and novelties.

Cards in trade and society journals.

Visits to offices in cities whose trade does not reach the lawyer's territory, or visiting in general without some definite errand in hand or without some means of reaching the managing partner or collection manager.

Notifying forwarders generally of impending failures or of bankruptcies past or imminent. If the addresses of forwarders known to represent the particular lines of business followed by the failing merchant can be learned, these may well be communicated with, as may also some of the leading general agencies. For a list of the special or trade agencies, see back of this book.

Endeavoring, directly or indirectly, to disturb or undermine brother attorneys in their relations with law lists, forwarders and clients.

Making commercial reports for forwarders and business men on promises of business, excepting where these forwarders and business men are known to be actually furnishing business, as do most of the trade agencies, the Wilber agency and some others. In the case of requests from business houses it is safe never to accede, as in ninety-nine cases out of a hundred other attorneys in the town are asked for reports on the same risk and the chances are slim of all getting the business, if any arises.

Getting the ill-will of fellow members of the bar by being too aggressive.

Making one's self offensive in forwarding offices by long-drawn-out controversies over minor matters; being a stickler for "principle" in an unprincipled way.

Hating oneself and letting it be known.

Carrying a chip on the shoulder.

Adopting eccentricities of speech, dress or manner.

Being a bore, and riding hobbies.

Answers to Questions Respecting Proper Professional Conduct Given by the Committee on Professional Ethics of the New York County Lawyers' Association.

Up to November 1917 the committee on Professional Ethics of the New York County Lawyers' Association had considered and answered 149 questions. A large number of these related to commercial and collections.

I am giving the answers to all such questions, either in full or in abbreviated form, believing they will assist the Commercial Bar in reaching a proper and a uniform practice. The questions themselves I shall not, in most cases, give:

Card in Trade Journal Disapproved.

The publishing of a professional card in a trade journal is not approved.

Advertisement Not Approved.

"WANTED:—In collection business I started, an attorney as associate and outside man to call on trade for business, a hustler; percentage of profit. Box — this office."

Client Touting for Lawyer.

It is improper for a lawyer to procure business through the systematic efforts of a client, at the instigation of the lawyer, by means of letters sent out by the former, urging the employment of the latter by other persons.

Retaining Money from One Transaction to Pay Disbursements in Another.

An attorney is entitled to retain moneys in payment of disbursements when said moneys were received by him in another matter in which he appeared as attorney for the same client (tho the client has not agreed to allow the attorney to retain the same), but subject in case of objection by the client to a judicial determination of the reasonableness and propriety of the disburse-

ments and the right of the attorney to so apply the moneys. The same answer is made where the money retained was received in the same matter in which the disbursements were had; and also where the money was received on a collection and part retained for disbursements in the same matter.

Form of Solicitation Condemned.

The following form of solicitation is condemned:

"Dear Sir:

"We submit to you herewith a form Retainer setting forth the plan under which we are employed as attorneys and general counsel by many large and small firms and corporations.

"We would appreciate the privilege of an appointment with you at your office or ours, to explain the moderate terms and the advantages of this arrangement.

"Yours very truly,
"_____."

"RETAINER.

"Dear Sirs:

"We hereby retain you as our attorneys and general counsel in New York City in connection with any and all legal matters which we may refer to you, for the term of _____ years from the date hereof, at an annual compensation for all legal services hereunder of _____ dollars (\$ _____), payable in equal quarterly installments at the end of each quarter-year.

"We understand that within the term hereof we are to have the right to call upon you for all legal services of every kind and nature in and about our regular business, including all matters of litigation and negotiation, and we are to have the privilege of consultation and advice at all reasonable times.

"In the event that any member or representative of your firm is required to leave New York City in

connection with our legal business, we agree to pay you additional compensation for such service at the rate of _____ dollars (\$ _____) per day for each day or part of a day so actually and necessarily spent outside said city.

"After the expiration of the term herein limited, the arrangement herein set forth shall continue until terminated upon thirty days' written notice by either party to the other.

"This retainer shall take effect upon your acceptance hereof in writing.

"Yours respectfully,

"_____

"By_____

"NOTE.—We do not desire to displace by our proposition any existing satisfactory relation."

Accepting Retainer Against Former Client.

It is not ethical for an attorney to accept a retainer against his former employer (an attorney) involving matters of which he might have obtained knowledge while in such employment, and by reason thereof.

Counsel for Association Soliciting Members as Clients.

It is unprofessional for an attorney, who is the counsel for an association, to send out letters to a number of its members suggesting employment upon an annual retainer.

Improper Solicitation.

The following form of solicitation is improper:

"Gentlemen:

I would like to submit a proposition to take care of all your legal matters under a yearly contract at less than your collections alone now cost; in order to make a client of you.

My method is now being used by many large reputable firms and corporations in this city, to whom I would be pleased to refer you.

I shall be pleased to call upon you and explain
in detail.

Very truly yours,
A. B. C."

Attorney for Petitioning Creditors Representing Receiver.

It is not necessarily unethical for an attorney for petitioning creditors assuming also to represent the receiver.

Improper Solicitation.

The following form of solicitation is improper:

"AVOID LITIGATION

"I act as advisor, arbitrator, adjudicator and special confidential agent to diplomatically adjust all difficulties and disputes for individuals, corporations or heirs. Bond given when matters of trust are placed with me. Bank references-----
Appointment by 'phone:-----."

Division of Fees.

Any division of fees by a lawyer should be based upon a sharing of professional responsibility or of legal services, and no such division should be made except with a member of the legal profession associated in the employment as a lawyer. Any other division would appear to be a mere payment for securing professional employment which is to be condemned.

Improper Forms of Solicitation.

The following forms of solicitation are improper:

A.—Able lawyer, specialist family troubles, private matters etc.; furnishes reliable advice; all cases handled; satisfaction guaranteed; quick results; domestic relation laws of all states explained. Call, write.
LAWYER.

A.—A.—A.—A.—ACCIDENTS, estates, family troubles; cases handled successfully; satisfaction guaranteed; strictly confidential; matters quickly

settled; no fee unless successful. Call, write, 'phone

----- LAWYER -----

"ACCIDENT CASES, DOMESTIC TROUBLES and all legal difficulties STRENUOUSLY handled to YOUR SATISFACTION. LAWYER

-----Evenings till 9."

"FOR results see me; reliable, experienced; successful; accident, family troubles, all cases, consultation free. Call or write LAWYER."

"LAWYER (American), highest standing; consultation free; notary public.-----
Sundays, evenings till 9."

"The ethics of the legal profession forbid that a lawyer should advertise his talents or his skill as a shop-keeper advertises his wares." *People v. McCabe*, 19 L. R. A. 231.

Soliciting Letter by One Lawyer to Another Disapproved.

The following letter written by an attorney to his professional brethren is disapproved:

"Dear Sir:

In the course of your practice, you occasionally are retained to prosecute actions to recover damages for injuries sustained through negligence. If you do not keep in close touch with the different decisions of the courts as they are handed down daily, you may experience difficulties in framing a proper complaint.

If you will send to me a full statement of the facts in any of your accident claims, I will draw the complaint for you, and a trial memorandum applicable to such case, and charge you for my services ten per cent. of the amount of the recovery or settlement. In the event of no recovery or settlement, no charge will be made.

Trusting we may be able to do some business together in the near future, I am."

Lawyer and Agency Conducted by Him.

A lawyer may not conduct either in his own name or under some trade name or title a collection business, the following being assumed as the method of doing business: Advertisements or cards are inserted in publications, and letters sent to merchants, in which it is stated that the concern is engaged in a general collection business and solicits accounts for collection; solicitors are employed to visit merchants to solicit their collection business; the clerks employed in the business are paid fixed salaries; all of the profits go to the attorney; and the latter attends to professional matters arising out of the business within his own territory; the concern sending to other attorneys practising therein such matters as arise outside of his territory.

This plan unites the practice of a profession with the conduct of a business which involves the solicitation of professional employment; the essential dignity of the profession requires that general solicitation of professional employment should be avoided.

There is no reason why the lawyer may not make a specialty of collections as a part of his professional activities; he should not, however, cloak his identity under a trade name or title; he should practice his profession either in his own name, or in association with some other lawyer or lawyers whose names may be used to identify the association. If his announcements are inserted in publications, they should conform to the provisions of Canon 27 of the American Bar Association. That is, they should consist of a simple professional card, and he should not in any other way generally solicit professional employment.

Division of Fees with Laymen.

The division of professional fees with those not in the profession detracts from the essential dignity of the practitioner and his profession; and admits to its emoluments those who cannot lawfully perform its duties. If

the legal services involve the bringing of suit, such a division appears to be prohibited by the N. Y. Penal Law.

Lawyer Receiving Salary from Agencies.

A lawyer may receive a salary from a collection agency for services rendered to that agency, but if the lawyer render professional services to the patron of the agency the lawyer should make his charge directly to the patron, otherwise the agency would be determining the charge to be made for the lawyer's services, and would be sharing in the lawyer's fee, or making a profit on the lawyer's professional work.

A lawyer may charge for his own service a specific sum, which he retains wholly for himself, the collection agency charging for its own service a specific sum which it retains wholly for itself.

It is derogatory to the essential dignity of the profession for a lawyer under such circumstances as indicated in the preceding case, to permit another to guarantee expressly his honesty or efficiency.

It does not alter the situation that all legal matters coming through the agency are referred to the lawyer within his territory.

Lawyer Acting for Association.

Lawyer A. B. may take a retainer from G. H., an organization of business men, to perform such legal services as G. H. may require as its attorney, and also to attend to such legal matters as the members of G. H. shall refer to A. B., G. H. urging and soliciting its members to place in A. B.'s hands for reference to A. B. all matters involving collection of accounts, or involving the representation of creditors in bankruptcy proceedings, upon the ground that by co-operation in the handling of debtor's affairs, members interested will profit.

This assumes, of course, that the lawyer's retainer by the association leaves him free to follow his own con-

science. There is no impropriety in the course suggested, provided that G. H. is a bona fide organization formed by its members for their own benefit, is not engaged in a regular business of collecting accounts of non-members for profit and it is the actual interest of the organization which prompts its solicitation, and provided the plan is not merely a cover for the solicitation of business by the attorney. The practice of the solicitation of professional employment by a lawyer is to be condemned, no matter what device may be resorted to as a cover or cloak; indeed, the adoption by him of a cover or cloak to conceal what if openly done would be professionally improper, merely intensifies the impropriety, for it adds deception to what would otherwise be an undesirable breach of the essential dignity of the office.

A. B. may not divide with G. H. such fees in bankruptcy matters referred to him by G. H. as he may receive as attorney, either for petitioning creditors, receiver or trustee.

G. H. may in matters in which it desires the cooperation of creditors, not members of G. H., circularize such creditors, urging them to place their claims with G. H. or A. B. in order that A. B. may conduct such legal proceedings as may be necessary, it being assumed that it is for the best interests of creditors that such proceedings should be conducted.

This is upon the assumption that G. H. does this not for the purpose of engaging in a general practice, but solely in the special case for the purpose of protecting the interests of its members, it may be done. It would be preferable to have the proxies run to G. H. or an officer; if it be a device to enable A. B. to do indirectly what he could not properly do directly, it is to be condemned.

If the interest of G. H. demands or justifies gratuitous services for non-members, or any other good

reason in the opinion of A. B. demands or justifies it, he is not required to charge for his services; but if it is a mere device to secure non-members as clients in other employment, it becomes a reward offered for employment, and therefore is to be condemned for reasons already assigned.

Agency Circularizing Creditors Urging Placing of Claims with Lawyer.

Where E. F., an existing collection agency, (the cooperation of creditors other than regular patrons or subscribers of E. F. being deemed desirable) circularizes such creditors, urging them to place their claims with E. F. or A. B. in order that A. B. may conduct such legal proceedings as may be necessary, it being assumed that it is for the best interests of creditors that such proceedings should be conducted, the following is said:

It may be that the act of E. F. is the unlawful practice of law within the scope and reasoning of *Matter of Co-operative Law Co.*, 198 N. Y. 479, *Matter of Associated Lawyers Co.*, 134 A. D. 350, and *Matter of the City of New York*, 144 A. D. 107. No opinion is expressed upon this question of law. If E. F.'s act be unlawful, the lawyer should not participate in any emolument resulting therefrom; but if it be lawful for E. F. to circularize creditors "in order that A. B. may conduct legal proceedings," still it is unprofessional for A. B. to permit such solicitation of professional employment for him by E. F., since he cannot properly so solicit it for himself.

A. B. should not divide with E. F. such fees in bankruptcy matters referred to him by E. F. as he may receive as attorney either for petitioning creditors, receiver or trustee.

Lawyer Soliciting Claims in Bankruptcy.

A. B., an attorney representing some clients, creditors in XYZ, a bankruptcy proceeding, acts improperly

in sending a general circular letter to all creditors, informing them of his representation of some creditors, and urging them to place their claims and proxies in his hands, for the reason that co-operation is in the best interests of the estate.

The co-operation which is desired among the creditors to prevent fraud or to secure an efficient administration is the concern of the clients, as to which the lawyer may properly advise them; but he should avoid doing directly or indirectly anything that savors of such solicitation of employment.

It makes no difference if the circular letter instead of dealing generally, asks that such claim be placed in his hands if the creditor is not otherwise represented.

He may not so act even if his sole motive is to insure the complete protection of his immediate clients' interests.

His motive is immaterial; as his client's interests demand protection, the client or some other agent of the client may seek the co-operation, always provided it is not a mere device to solicit employment for the attorney.

Lawyer Accepting Claims Solicited by Creditors' Committee.

A. B., an attorney may receive claims or proxies where such claims or proxies have been secured through circularization by a creditors' committee formed in XYZ, a bankruptcy proceeding, provided the committee is not a cloak used by A. B. to procure employment.

It makes no difference that A. B.'s clients are the committee.

It makes no difference that A. B. suggested the formation of the committee.

It makes no difference that the proxies run to the members of the creditors' committee as attorneys in fact, A. B. appearing as counsel for the committee.

It appears preferable that the proxies should run as suggested because that course seems less liable to abuse as an objectionable cloak to solicitation of employment for the attorney.

A. B. may receive from C. D., a collection agency, claims in the XYZ bankruptcy proceedings, solicited by C. D., and appear as attorney in such bankruptcy proceedings, acting under power of attorney for such claimants.

A lawyer should not be debarred from accepting professional employment from a collection agency. The abuses to be avoided, and to which a lawyer should not lend himself are noted elsewhere.

A. B. may receive from C. D. claims in such bankruptcy proceedings, and appear as attorney for or act under power of attorney for such creditors, C. D. being specifically authorized by the claimant to select an attorney for him, and as his agent notifying A. B. that it delivers the claim acting as such agent.

Lawyer's Name Advertised by Corporation, Bank, etc.

There is no impropriety in an attorney permitting his name to be advertised as attorney or counsel in connection with a corporation's, bank's, trust company's, or re-organization or creditors' committee's announcement of its purposes by advertising in newspapers or circulars or upon its letter-heads, provided the particular form of advertisement is not otherwise objectionable. It is obvious that the re-organization committee, the corporation, the bank or trust company may depend in part in its appeal for public confidence and business on the standing and reputation of its professional adviser; so also in the case of creditors' committees either in a re-organization plan or in the request for co-operation among creditors, the name of the attorney by whom the proceedings in aid of the creditors will be conducted is often the determining feature in the decision of the creditor as to whether or not he will co-operate. On the

assumption, therefore, that the attorney is not the moving party in the advertisement of his name, we think it would be unreasonable to answer this question in the affirmative.

Lawyer's Name on Trade Association Stationery.

There is no impropriety in an attorney permitting his name to be announced as attorney or counsel for a trade organization or association upon its stationery.

Trade Association Soliciting Claims for its Attorney.

It is not proper for A. B., an attorney, to permit a trade organization for which he acts as attorney or counsel to solicit its members to consult A. B. upon such legal matters as require professional service, or to solicit the sending of claims for suit by members of the association to A. B.

Where, however, the collective interests of the members of the association require co-operation, it is not improper.

Collection Agency Use of Name of Attorney on its Stationery.

There is no impropriety in A. B. permitting a collection agency, doing a general collection business, including the solicitation of collections but not legal business, to print upon its stationery and in its advertisements "A. B., attorney," or "A. B., counsel."

Lawyer Paying Money to Law List.

A. B., a lawyer, having a commercial practice, may properly pay a fee to M. N. O., a list made up of lawyers and in which collection agencies appear, for the privilege of having his name appear upon such lists, provided the form of the announcement is not otherwise objectionable; provided also that the amount he pays to M. N. O. is not determined by the amount realized by A. B.

It makes no difference as to its professional propriety, that the list is used exclusively for and by lawyers, or is intended to be circulated also among laymen.

It makes a difference as to its professional propriety, that the charge of the list varies according to the amount of business received by the lawyer through such a list.

This necessarily involves a division of the lawyer's professional fees, in consideration of the securing of employment for him by the person with whom he divides his professional fee.

It makes a difference that the list in connection with its publication or circulation maintains a complaint department at its own expense, adjusting differences arising out of charges earned or claimed, and issues for each representative in the list a surety company bond guaranteeing the faithful performance of his duty.

Bonding Lawyers.

It is derogatory to the essential dignity of the profession for a lawyer to seek employment by offering, or permitting another to offer, a bond to guarantee his honesty or efficiency.

It makes no difference as to professional propriety, that the list is confined wholly to lawyers, but managed for profit, and restricted in each town to such firms or individuals as are approved by the managers, assuming, also, that the managers in good faith, seek only to put into the list competent and trustworthy lawyers, and make their decision only after careful investigation concerning the lawyer.

Law Clerk's Card.

A clerk of mature years, wishing to have cards printed showing that he is connected with a lawyer's office submitted a draft of such a card in the following form:

A----- B-----
with C----- D-----
Counsellor at Law
(address)
(telephone)

There seems to be no valid reason why the clerk, not being admitted to the bar, should use a card referring to the attorney; and it appears to be beneath the essential dignity of the professional position of the attorney to permit its use, while likelihood of its abuses seems obvious.

Lawyers Remitting to Collection Agency.

It is the custom of some collection agencies to turn over bills to lawyers for suit. In such cases the collection agency always wishes to deal with a lawyer as if it were his client and wishes collections remitted to it instead of directly to the creditor. In such cases the patron of the collection agency is the client, but there is not impropriety in the lawyer's complying with the wish of the collection agency in remitting to it; assuming that the agency is the authorized agent of its patron to deal in his behalf with the lawyer.

Division of Fees Between Receiver and His Counsel.

An agreement between a receiver and his counsel to divide their fees, i. e., the Receiver to pay to his counsel one-half of the commissions which the court might allow to him, and the counsel to pay to the Receiver one-half of the amount which the court awarded to him as counsel for the Receiver is improper and unprofessional.

Continuing Name of Partner in Firm Name After He Is Elevated to the Bench.

It is improper for lawyers to continue to practice under a firm name which contains the name of a former partner who has been elevated to the Bench, unless the name of such former partner is also that of one of the continuing members of the firm. There is no impropriety in New York in the continued use by surviving or continuing members of a legal copartnership of a firm name which contains the name of a deceased or retiring partner, provided the provisions of the Partnership Law (if applicable) are complied with, and provided, further,

that there are no special circumstances, such as the disbarment of the retiring partner or his elevation to the Bench, which would make such a course improper. (See *Matter of Kaffenburgh*, 188 N. Y. 49.)

Soliciting Employment Agreeing to Bear Expense.

A, an attorney, writes to B, a judgment creditor of C, stating that he has information whereby he can collect a judgment of B against C, and states in the letter that if he succeeds in collecting the judgment, he is to receive, as his compensation a sum equal to forty per cent. of the amount collected, and if he fails to collect, then no charge is to be made against B. B writes to A, stating that if he is not called upon to bear any part of the expense, that then A may proceed. Without a written answer to the communication last mentioned A proceeds to enforce the collection of this judgment.

The conduct of the attorney is improper in two aspects, namely: that he solicits the employment and impliedly agrees to bear the expenses.

Lawyer Reducing Fees to Enable Agency to Charge Client for Services.

A firm of attorneys have from time to time been selected by a collection agency as special counsel in respect to the enforcement of the collection of claims entrusted to it by its patrons; this firm is not the regular counsel for the agency, but is employed occasionally, upon claims and in litigation, when the regular counsel is not engaged. The collection agency, while not undertaking to do or doing any actual legal work, has designated its own employees to examine and prepare accounts and data, to find witnesses, interrogate them, report the facts to said firm, serve summonses and subpoenas, and correspond with its patrons in respect to the facts of the claims and the litigation. The firm has rendered its bills for legal services to the patrons of the agency, but in its care, and has had no communica-

tion with the patrons, except through the agency. In view of the fact that the agency through its own employees has lightened the labors of the counsel, they have reduced their bills accordingly, at the instance of the agency, so as to enable this agency to render a bill to its patron for the service actually performed by its own employees, without increasing the amount of the charge to the patron beyond the amount which would be charged by the firm, if it were required to render not only the strictly legal services, but also the incidental services now and heretofore performed by employees of the agency.

Assuming that the collection agency is not unlawfully practicing law, the arrangement described should still be disapproved, because (whatever may be the effect or intent in the present instance), such an arrangement is too apt to facilitate the solicitation of business for attorneys, and the division of a lawyer's fees with a layman. Such results should be avoided by making the relation of the lawyer to the patron the direct relation of attorney and client, and by making the lawyer's reasonable charge for his services to the client in such manner as to disclose the lawyer's identity and relation and prevent the agency from concealing his charge or covering it in its own charge.

Such services as are involved in preparing a litigated case for trial upon the facts should be performed by, or under the direction of an attorney who may be held responsible to client and Court according to the measure of a lawyer's responsibility, rather than by, or under the direction of, a lay intermediary which is presumably in the business of soliciting claims that may result in litigation.

Lawyer Practicing Under Assumed Name. Employing Solicitors.

It is improper for a lawyer to engage in professional employment under an assumed name; the making of

collections by a lawyer is professional employment; and the employment of solicitors by a lawyer to procure claims for collection, whether with or without litigation, is improper, regardless of the method of compensating the solicitors; if the objectionable features of solicitation and anonymity be removed, it is not improper for a lawyer to undertake the making of collections, with or without litigation, or to conduct a mercantile agency or to recommend another lawyer for employment by his clients; but all division of compensation between lawyers should be based upon the sharing of professional responsibility or service, and a division of fees merely because of the recommendation of another is not proper.

Improper Solicitation.

The following solicitation is held to be improper:

"There is a judgment on record in your favor obtained a number of years ago against a party who is now able to pay the debt.

I have information which, I believe, will enable me to collect this judgment for you.

If you will be good enough to authorize me to make this collection for you upon the understanding contained in the paper enclosed herewith, I shall be pleased to promptly proceed with the collection.

Trusting to hear from you as soon as conveniently possible, I beg to remain,

Yours very truly,

(ENCLOSURE.)

I hereby retain John Doe, Attorney at Law, of New York City, to collect a judgment, still outstanding and unpaid, recovered against———.

For such collection I hereby agree to pay my said attorney fifty per centum of any amount collected on said judgment.

It being agreed that if no collection is made, I am not to be charged for any services to be rendered by my said attorney.

It being further agreed that no settlement or compromise for less than the full amount, principal and interest, shall be made without my consent.

Dated, New York, _____ 1915.

_____”

Plaintiff's Lawyer Dealing Direct with Defendant.

In an action, judgment is procured in favor of plaintiff. Defendant wants to settle case with plaintiff's attorneys direct. Plaintiff's attorneys insist upon settlement being made through defendant's attorneys. Defendant's attorneys do not wish to consummate settlement until their bill is paid. The matter stays in statu quo for several weeks. By what consideration should plaintiff's attorneys be guided—their duty to their client to collect the judgment, or, should they stand still and insist upon the matter being settled through defendant's attorneys? Whether an execution would collect the judgment is not known, but it might imperil an early settlement.

In the opinion of the Committee, the plaintiff's attorneys having done all that professional courtesy requires, and the legal relationship between the defendant and his attorneys having moreover terminated, there is no impropriety in plaintiff's attorneys dealing directly with the defendant.

Upon the termination of the legal relationship, see *Lusk vs. Hastings*, 1 Hill, 656; *Magnolia Co. vs. Sterlingworth Co.*, 37 A. D., 366; *Conklin vs. Conklin*, 113 A. D., 743.

Circular Letter to Bankrupt's Creditors by Lawyer.

A Bankrupt has filed an offer of composition on the basis of 20%. His attorney sends out a circular letter to all of the creditors of the Bankrupt, urging them to

accept the offer and enclosing to them blank proofs of claim to be made out by the creditors, stating to them that he will file the proofs for them with the Referee in Bankruptcy and collect and remit their dividends free of charge, in case they see fit to return their respective proofs of claim to him.

Although the question does not disclose how the attorney will collect the dividend, it would seem that his intention is to suggest the giving of a proxy or power of attorney. By the acceptance of such proxy in the usual form, the attorney would at once be authorized to act for both debtor and creditor,—charged with conflicting duties. Unless his circular letter makes it entirely clear that the attorney, in offering to file proofs of claim, does not seek to assume the relation or duties of an attorney to the creditors, the Committee disapproves the practice suggested. Of course, no such communication should be sent direct to creditors who are represented by counsel.

Lawyer and Layman Dividing Fees.

It is improper for a lawyer to engage in partnership with a layman and divide fees.

A fee charged for professional services is none the less a reward for professional services because it is called "a commission." Lawyers in other States, who are dividing with a collection agency here (N. Y.) the compensation they receive for professional services, are themselves guilty of unprofessional conduct. That the service excludes the bringing of suit or appearance in court does not change the inherent character of the situation. In performing the service the lawyer's professional skill and responsibility are engaged. There is no objection to a lawyer engaging in the collection of an account, but when he does so, he does so as a lawyer and is subject to the ethics of his profession.

Lawyer's Relation to Association Employing Him and to its Members.

A group of business men form a membership corporation for the purpose, amongst many other things, of employing an attorney under an annual retainer to supply them (a) with reports upon the state of the law applicable to any given state of facts of interest in connection with the business of any of the members, and (b) to furnish legal advice to the members in connection with any of their business affairs. The corporation does not advertise that it furnishes advice, nor does it receive inquiries, but it directs any member applying for advice, to communicate directly with the attorney and to receive advice directly from him. The attorney is not in any way under the control of the association in connection with advice so given and he exercises his own discretion and independent judgment with respect to all applications for advice. The letters sent out to its members, the corporation makes the following statement:

"All inquiries as to legal matters should be addressed directly to the general counsel of the association, John Doe, at his office, who will reply direct. He will make no charge for information as to the state of the law applicable to any state of facts, except where unusual or extended research is required, when he will, before proceeding, notify the inquirer as to the exact cost."

The service which the attorney renders to the individual members directly, does not include any legal service of any character, other than the reporting upon the state of the law and the giving of advice in connection with the questions submitted.

The members pay annual dues, out of which the lawyer is compensated.

The practice outlined above comes within the condemnation of Section 280, N. Y. Penal Law, as con-

strued in *Matter of Co-operative Law Co.*, 198 N. Y., 479; *Matter of National Jewelers Board of Trade*, New York Law Journal, March 2, 1916; *Meisel vs. National Jewelers Board of Trade*, 90 Misc. Rep. 19, and is therefore prohibited to members of the New York Bar.

Lawyer Soliciting Business from Clients of Firm That Previously Employed Him.

The solicitation by an attorney of professional employment from the clients of the firm by which he was formerly employed, in any way except by a simple card or letter of announcement of the formation of his new firm, is unprofessional, and disloyal to his former employers. The lawyer owes it to his employers as counsel owes it to his attorney of record, not purposely to induce, through the opportunity afforded him by the confidential relation in which he is placed, the transfer of professional employment from his employers to himself. (See Canon 27, American Bar Association, 1st half.) The circulation of a professional card is not condemned by the Canon.

Lawyer Engaging in Loan or Other Business.

Is there any professional impropriety in a lawyer, while in active practice, also carrying on a loan-brokerage and real-estate business, and advertising such business, stating that the advertiser has money to loan and property to sell?

A lawyer should always conduct himself, in all of his undertakings, with due observance of the standards of conduct required of him as a lawyer. The carrying on of a loan-brokerage and real-estate business by a lawyer, while in active practice, is not condemned by any accepted standard in the profession in this country. Since, for the reason stated, the carrying on of the business cannot be condemned, the advertising of the business is not essentially improper, if the advertisement be in such form as to avoid the interpretation that it is a sollicita-

tion of professional employment, or the solicitation of business or employment because the advertiser is a lawyer. The Committee, however, does not favor the practice described in the question, because in its opinion such practice has a tendency to lower the essential dignity of the profession.

Lawyers Representing Different Creditors Agreeing to Act One as Trustee and the Other as Attorney for Trustee.

A and B are attorneys, each representing various creditors of C, who has been adjudicated a bankrupt. At the meeting for the purpose of electing a Trustee, A and B agree to act together, one to be elected Trustee and the other to act as attorney for the Trustee, and in the event of their success to divide all fees and commissions equally. Neither attorney represents the bankrupt nor any conflicting interest.

In the opinion of the Committee, the arrangement suggested in the question is improper. The trustee, as the name implies, is acting in a fiduciary capacity. It is contemplated by the Bankruptcy Act that a trustee and his attorney shall be selected by reason of their fitness, and not by reason of their willingness to share their compensation with each other. The trustee may not make a secret profit out of his office. The amount which the Court allows him is presumably adequate compensation. It is his duty to oppose the allowance asked by his attorney, if in his opinion the sum asked is excessive. To have a part interest in the attorney's fee tends to warp his judgment and incapacitates him from discharging his full duty. Nor should an attorney make an arrangement by which he shares a fee earned from a trust estate with the trustee individually. Even though the parties act with entire honesty, the whole arrangement is, in the opinion of the Committee, contrary to public policy in accordance with well-established rules.

Attorney Receiving Retainer from Collection Agency.

A is engaged in the collection business and is not an attorney. He represents various clients. B is an attorney, and is retained by A to institute certain actions and draw certain papers in actions in the name of clients of A, and is to receive his fee from A at an agreed price for each item of work performed.

Is it permissible for an attorney in this manner to accept retainers from a person engaged in the collection business who is not an attorney; and does it make any difference whether A and B are in the same office or have separate offices.

Even if the practice in this case is not illegal, as being in principle the splitting of fees between a lawyer and a layman, or as permitting a collection agency to practice law, still it is improper. The relation between the client and the lawyer should be a direct personal relationship. In the opinion of the Committee, it makes no difference whether A and B are in the same office, or have separate offices.

Lawyer Dividing Fees with His Employees.

The gratuitous distribution by a lawyer to his employees of moneys in an amount based on his annual profits, is not open to any reasonable objection. But making in advance an agreement with non-professional employees to share profits with them, is inconsistent with the essential dignity of the profession, and is liable to be made the cloak for promoting the solicitation of employment for the office.

Agency Practicing Law.

"A," collection agency, solicits and receives a claim for collection on a 10% contingent basis. Not being able to collect it as a result of its own efforts, it forwards this claim to an attorney on a 7% net basis. The attorney collects it and remits less the 7%. "A" remits to his client less 10%. The client is aware of the fact that the

claim was collected by an attorney who received part of the 10%.

- (a) Is "A" guilty of practising law?
- (b) Is the attorney guilty of dividing fees with the layman?
- (c) Assuming that the attorney knew "A" was charging 10%, is the attorney guilty of dividing fees with the layman?
- (d) Is the course suggested improper?

The business of collection agencies is normally dependent upon active solicitation; the participation of lawyers in making collections is professional employment; the receipt of the employment from the intermediary tends to destroy the lawyer's sense of direct responsibility to his client, the creditor, and the fixing of compensation by the agency enables it to exploit the lawyer's professional services for its own profit. For these reasons the arrangement suggested is considered improper. The Committee deems it unnecessary to answer the specific interrogatories categorically, though it directs attention to *Meisel vs. National Jewelers' Board of Trade*, 90 Misc. (N. Y.) 19, affirmed 157 N. Y. Suppl. 1133, tending to indicate that under certain circumstances interrogatory (a) might be answered in the affirmative.

Improper Use of Lawyer's Name in Draft.

There are a number of mercantile agencies which publish directories of banks and attorneys and charge attorneys for representation therein. These agencies sell their directories to mercantile houses together with a quantity of collection forms which include drafts in substantially the following form:

ROE MERCANTILE AGENCY

Bank and Legal
Correspondents
Everywhere in
the World

For Protection of
Trade, Collection of
Debts, Reporting
Delinquent Debtors

\$-----, 191--
 At sight, pay to-----Bank of-----
 ----- Dollars,
 with exchange and cost of collection, and charge to
 the account of-----
 To-----

INSTRUCTIONS TO BANK.

If this Draft is paid, remit direct to Drawer.

If this Draft is not paid, please mail it in enclosed stamped envelope to

John Doe, Attorney at Law, Smith, N. Y.

Do not protest.

This draft is filled out by the mercantile house by inserting the name of a bank as payee, and the name of an attorney in the drawee's town to whom the draft is to be turned over by the bank in the event of non-payment, both names being taken from the directory. If the draft is not paid it is turned over to the attorney by the bank and then becomes a claim for collection to be handled in the usual way. Is it proper for an attorney to allow the use of his name in drafts of this sort?

In the event the answer is that such use of an attorney's name is proper, would it also be proper for an attorney to furnish similar drafts directly to his clients with his name printed at the top in place of the name of the mercantile agency and also with his name printed at the bottom under Instructions to Bank?

The Committee is not advised by the question whether the charge of the mercantile agencies to the attorneys for representation is a fixed charge or one dependent upon the results to the attorneys. If the latter, the charge would fall within the Committee's disapproval. Nor is the Committee advised whether the agency guarantees the services of the attorney. If so, it falls within its condemnation. Nor is the Committee advised of the meaning of the inquirer when he says: "If the draft is

not paid it is turned over to the attorney by the bank, and thus becomes a claim for collection to be handled in the usual way." These uncertainties in the question do not, however, preclude the Committee from assuming that the inquirer intended to direct his inquiry specially to the practice indicated by the substantial form of the draft, and it answers the question on this assumption. In the opinion of the Committee, it is not proper for an attorney to allow the use of his name in drafts of this sort. Such use of the attorney's name is in the opinion of the Committee adopted as a device to make the payment of the draft more certain by acquainting the drawee with the name of the attorney, and thus using his name as a method of inducement or coercion without his employment and without the establishment of the relation of attorney and client between the lawyer and the drawer of the draft.

The Committee does not wish to be understood as intimating an opinion that there is any impropriety in the drawer of a draft instructing a bank in case of its non-payment to turn it over to his named attorney. It is the use of the attorney's name and official style upon the draft, or in connection therewith, as presented to the drawee, which the Committee disapproves; and it also disapproves the furnishing of similar drafts by the attorney to his client, not only for the reason already stated, but because it seems to the Committee to partake of the nature of solicitation of employment for, and improper advertisement of, the lawyer, to distribute such drafts to his clients for their use.

Lawyer's Name on Agency Letterheads Sold to Agency Clients.

A is a mercantile agency which furnishes to merchants for a consideration, on its letter-head, collection letters. The letter-head bears the name of A and, inconspicuously, the name of B, attorney. The letter states that unless the account is paid, it will be turned over to

B. B takes such claims for collection at prevailing rates. B retains all collection fees, divides with nobody and pays nothing either for securing the business or for having his name on letter-head of A.

Is B's name on letter-head of A proper? Is statement in letter, that unless paid, claim will be turned over to B for collection, proper?

The practice disclosed by the first question is objectionable in that the stationery is sold, distributed to and used by others than the collection agency for whom A is counsel or attorney.

The exploitation of the lawyer's services by the mercantile agency, being in the opinion of this Committee improper, it disapproves the use of the statement in the letter.

Corporation Exploiting Lawyers' Services.

A is a domestic corporation engaged in furnishing mercantile reports to subscribing members, who pay an annual subscription fee and receive in return therefor reports containing credit information which aid them in extending credit. A also handles claims for adjustment with its subscribers only, and does not solicit collections nor receive any collections from any one other than its subscribing members. It maintains the policy that the adjustment department is open only for the accommodation of its members.

The adjustment department of A attempts through its employees to collect accounts by personal calls and, after such calls are made, a report with the result is forwarded to A's subscribers.

In the event that it is found that the only way A's claim can be collected is by instituting a suit, then the subscriber is notified to such effect. Thereupon if suit is requested by the subscriber, A then requests the subscriber to assign his claim to X who is an employee and officer of A, for the purpose of instituting suit. The said X now desires to retain the undersigned as his at-

torney agreeing to pay the undersigned a stipulated amount for services, and X further agrees to advance the undersigned the necessary disbursements for suit.

The correspondence and conferences of the undersigned are to be with X only, and the undersigned has knowledge that X is connected with the A company as officer and employee as hereinbefore mentioned.

Whether or not the arrangement of the corporation's business described in the question constitutes the unlawful practice of the law, it should not, in the opinion of this Committee, be approved, because if such practice is pursued as the regular course of business by a mercantile agency, it involves transactions between a lawyer and an officer of a corporation, which would in the opinion of this Committee, be improper as between the lawyer and the corporation itself; because it tends to violate the rule that the relation between the lawyer and his client should be a direct personal relation; and because it affords a cloak for the hawking about of a lawyer's services by a corporation.

Agency Recommending Lawyer. Not Sharing in Fee.

A is a mercantile, credit, and collection agency engaged in the business of furnishing credit information to its subscribers and collecting their claims without suit. B is A's attorney.

Where A is unsuccessful in collecting claims without suit, it recommends to its subscribers the services of B as a lawyer. It writes a letter in substantially the following form:

"Dear Sir:

We beg to advise you that your claim of \$——— against X Y Z & Company cannot be collected without legal proceedings. Our attorney, B, is prepared to handle matters of this sort. If you desire to start suit, we suggest that you communicate direct with him, authorizing him to do so.

Very truly yours, The A. Company."

B, if retained in such cases, charges for his services the same fee as he charges other clients (whether or not recommended by the agency). He keeps the entire fee for himself and pays no part of it to A, nor is the amount of his charges against A for professional services reduced on account of professional employment secured through its recommendation.

If suit is authorized, the relations between B and the client become direct and A's relation to the matter ceases. In cases in which B is retained in the manner outlined above, A makes no charge whatever for its services either to B or to the subscriber.

Is there any impropriety in B acting for clients recommended to him under such circumstances?

If the facts are as stated above, except that A does make a charge to the subscriber in matters taken over by B; such charge, however, being only for its own services prior to the taking over of the matter by B, and not being contingent in any way upon the success of B's efforts; would such additional facts affect the propriety of B's action?

It is assumed that the collection agency was not organized, nor is it conducted, for the purpose of fostering the interests of the lawyer. Upon this assumption, the Committee is of the opinion that, when the need of a lawyer's services arises, an agency may, if requested (and the request be unsolicited) recommend for the handling of the professional matter any lawyer in whom it has confidence, provided the lawyer does not share his fee with the agency, nor pay, directly or indirectly, any consideration for the recommendation. But the regular and habitual recommendation of the lawyer, done with his knowledge and approval, and without any specific request for such recommendation on the part of the patron, has the same quality as any other organized system of solicitation of professional employment,

with the single exception that it is free from the taint of being done for compensation.

As to Subdivision 2 of the question, the Committee is of the opinion that the fact that the collection agency makes a charge for its own services, as stated in the question, does not affect the propriety of the practice.

THE LAWYER AND THE LAW LISTS.

Does it pay to put money into Legal Directory advertising, if I may dare use the word "advertising" in talking to lawyers?

It does and it does not. Not a very satisfactory answer, but it is the only correct one.

First—It pays in some directories; it does not pay in others.

Second—It pays in some years; it does not pay in others.

Third—It pays in some localities; it does not pay in others.

Fourth—It pays at some prices; it does not pay at other prices.

There are a few Directories recognized as profitable mediums, generally speaking. I say "generally speaking," because no Directory can be said to always pay a profit everywhere. These Directories, either by a long and honorable course of dealing, have an established standing and clientele, or by maintaining an active soliciting force among business men, forwarding agencies and lawyers, control a fairly constant volume of business. These two classes are worthy of patronage and are generally profitable. They number less than a score and an idea of their identity can be gained from later pages of this book.

A publication may be profitable this year and not profitable next year, and the reverse may be said. It is not fair to judge of the ability of a list to bring business by the results of one year. Be sure that the publisher

is honestly striving to produce business. Find this out. If it is a fact, stick to the list. If not, drop it.

The paying Directories are national in their influence and scope. They produce business everywhere. This must be taken in a general sense, for there are communities where it is foolish for the lawyer to expect business from any outside source. He will not get it, because there is none to be had.

Suppose you live in a county seat, in the midst of a fertile country. The townspeople are steady, conservative men and women. The merchants are generally solvent. The people own their own homes. They buy little that they do not pay for. The farmers are prosperous. Their farms are productive and paid for. There is a very small transient population. If you had all the commercial business of the town you could carry it in your hat. Under such conditions it would be foolish to put money into publicity, unless at a very small price.

List publishers seldom look far enough to recognize such conditions, and with their flat rate, based on population, they wonder why they do not get and keep paid correspondents in such places. The answer is easy. They furnish no business and never can.

The same condition exists in a manufacturing city, where some few factories gather about them a great population of workmen, who receive their wages regularly and spend them at local stores. There is little or no commercial business to be had.

The same is true of old, staid New England towns, where the business comes down from father to son and failures are few and far between.

On the other hand, the large city, with its varied interests, the growing, enterprising towns and cities, where there are fluctuating conditions and population and business is changing from year to year, where bustle, and enterprise, and the spirit of venture permeates the

air—these all prove good ground for the commercial lawyer. Directory advertising is likely here to pay, if wisely placed.

To make a profit one must take in something more than he pays out. If a Directory has averaged for a number of years \$500 in fees annually there would be no profit, if the lawyer must pay \$500 for it.

The question arises: What may the lawyer pay for list publicity and at the same time get a fair profit on his investment of time, effort and money? Various answers are given. Some lawyers want three for one; some five for one; some ten for one.

I do not think a ratio can be fixed, since the returns from a law list are not to be so measured. A simple illustration will show:

My name in a certain list once brought me an insignificant matter, and this brought me an introduction that led to a clientage for years—long after my connection with the Directory ceased.

Indeed, some publishers claim that all they can do is to bring client and attorney together—to act as introducer; that it is then up to the attorney to establish a relationship of profit. There is some sense in this. In reality, this is the true function of a Law List.

It is not fair to credit to a list only the direct and immediate cash returns for a period and say, I paid so much, and I received so much; it was profitable or it was not, as the figures may happen to balance one way or the other.

Some Directories introduce one into a better class of business society than do others. If your publisher is pushing for high-class clients you can afford to pay him more than you pay the publisher who succeeds only in bringing you stale and worthless matters, installment payment accounts, and the like.

If you push me for a ratio of actual receipts to prices paid, I would say that I do not think a lawyer should

work for half pay, as he would be doing if he gave half his income from a list to its publisher, one-fourth of his pay, or one-fifth of his pay, or even one-eighth of his pay. A price, if it is ethical and legal to base it on returns, should be based on the average returns for several years, and, proper consideration being given in the calculation to the value of connections formed, then ten dollars for one would be fair.

A simple illustration: I pay ten dollars for my name in a list. It brings me four fees, amounting to a total of fifty dollars. This is five dollars for one. This would be a good gamble, but we are not talking about gambling. I work for every dollar of the fifty. I earn every dollar. A local client would have had to pay me fifty dollars. By paying the publisher ten dollars I am doing my work at four-fifths pay. I ought not, generally speaking, to be compelled to give up so large a proportion.

But I find that one of those fees that made up the fifty dollars was paid me by a house whose traveling man later came to see me regarding the matter while it was in progress and left with me a further item of business that brought a hundred-dollar fee and brought me in direct touch with people who will remain my clients possibly for years. The Directory publisher did this for me, unconsciously, and if I am honest I will figure that out of my ten-dollar investment I have made \$50 plus \$100 plus a permanent business connection, and the ratio of results is as one to fifty or one to a hundred, perhaps.

Did you ever study out how your business grows? It doesn't come like drops of rain, each, as it falls, an independent drop. It is more like the drops of water on the window pane, each, as it grows, falling into another, and this, dropping more rapidly, unites with another until a stream is coursing its way down the glass.

It is seldom that a piece of local business blows in out of the clear sky. If business came in this way you would remove your roof. No, most of your business has come through other business, and some of your best business today, Mr. Complainer, can be traced back to some trivial matters thrown to you by some much-abused and long-since dismissed list publisher.

I recall once getting one rotten item in a whole year from a Directory to which I paid fifty dollars. I paid the fifty dollars under protest, and all the time I forgot that the rotten item brought me into contact with a merchant who later failed and that I wound up his affairs. That was a profitable fifty-dollar investment. I cite the instance to show how easily we may figure wrong on these matters and do both ourselves and a publisher injustice. If you will read carefully what I elsewhere say about making clients you will learn another source of profit to be gained from Law List representation.

Advertising is a game full of mystery. The shrewdest advertisers in the world admit it is an art never mastered. There is no certainty about it; in large measure it is always a gamble. I speak from a full heart, for I planned and executed advertising campaigns for years for a business that spent hundreds of thousands of dollars in printer's ink. My experience was that there was and could be no exact rule. Even experience was no guide. I have bought at a thousand dollars one page in the Ladies' Home Journal and reaped a big profit, and a year later, in the same month, with better copy, bought the same page and dropped big money.

No magazine can guarantee results. There are too many elements of chance. Neither can a list publisher. He can only say: This is the amount and character of my circulation. This is my plan for getting business. These are the probabilities. He can do no more.

Any kind of printer's ink that is respectable is worth something as a gamble. Even a scrap of paper picked up in the street may, by an announcement it contains, win somebody a customer. But some classes of printed matter are greater gambles than others. The better class are more nearly investment propositions than others which are purely ventures. It is the task of the advertiser to decide first whether he will spend his money in legitimate advertising investments or in advertising gambling, or in both.

It is much like horse racing. You go to a race. Certain horses have records as winners. You know them. You put up money on them with some show of winning.

I often say to inquirers regarding this and that Law List: "Yes, it is a list. It is in print. But that is all. It may win out for you just as a dark horse wins a race at times. But in putting money into it you are not really investing, you are gambling."

If you go to a horse race not knowing a thing about horses in general and the entries in particular it would be the height of folly for you to buy a chance, unless, in so doing, you want simply the sport and can afford to lose the money, but if in losing you cripple yourself to any degree, or make it hard for the folks at home, you are playing the fool.

So I say about the greater number of Law List propositions. If you can spend the money and not miss it, and not rob anybody of anything he or she may need or deserve, go to it, for there is always a chance of winning.

I once paid a large price for representing a Directory in St. Paul. I now know the Directory was of the worthless type, measured by ordinary standards. The year passed and I did not receive a two-cent stamp—not even an inquiry. I was mad clear through. Two years later, after I had moved to Detroit, my St. Paul

partner, who succeeded to our firm business, sent me a substantial fee earned from business sent over that Directory two years after my name had appeared in it.

What are we going to do when such things are continually happening? All we can say is that any piece of printer's ink may produce results. If a man has money he can afford to throw away in printer's ink, let him take everything that comes. But don't let him blame anybody else for his failure to win. Don't blame horse flesh in general because some poor cob failed to hobble in and was distanced. You had your sport, so take your medicine like a sport.

If, however, you are doing business on business principles, and not gambling, you are going to learn the difference between an investment and a game of chance, and know that while every investment has an element of risk in it, there are some where the risk is negligible.

There are some law lists that can be safely trusted to produce business. Their publishers are in the business to make money legitimately; they are endeavoring to build up permanent enterprises; they are not trying to fleece the public and unload; they are not out for merely temporary profit.

These directories or lists are not always the so-called leading lists. They may not be leaders because they are new or limited in scope or field. They may be as well worth the small amount charged by them as may the leaders at the large prices they command.

Then there is the matter of general publicity, general reputation, which makes a part of what you are buying. If you sent business to Denver, to whom would you send it? You would not have to look in a book to find a name. Certain firms there have a general reputation; you know them; every one knows them. Why? How? Not through their having conducted some world-wide litigation that has brought them into

general prominence; not through their name being at the present moment in certain legal directories, but, through the years, they have gained a country-wide publicity through the many avenues open to such as seek it legitimately, and you don't need to refer to the books.

Suppose you were to send business to Denver. You might send a list "coupon," but if you did it would be to please the publisher or to get the advantage of a bonding scheme. The situation is the result of an ability to make good on the part of certain lawyers in Denver and their general reputation as built up by professional publicity.

The most valuable asset of a commercial law business is this widespread prominence of its name. How are you going to give credit to lists or what not for this intangible thing, and yet list publicity is at the origin, is the foundation of it all.

So let's be fair. If a list pays nothing; if it is known to be faking in circulation; if its publishers are high-waymen; if it lies in its circular matter or through its solicitors; if it makes no honest effort to deliver the goods, let's knife it. But if it does get us business, does introduce us to prospective clients, does give us general publicity in good company, does make an honest effort to keep our names before the business world, let's not try to keep books too close on it because, after all, the value of advertising (and I use the word professionally) is always undeterminable, is always uncertain, and is ever just as likely to surprise one happily as to grievously vex and disappoint one.

Advertising does not always pay, but it does bring results, as the fellow said who advertised for a wife.

And don't forget it is ever true that the horse that wins is always the one that stays in till the end of the race.

The things to look out for in a list are: The personnel of the organization back of it. Are the publishers sin-

cere and honest? The circulation of the book, its amount and character. The plan of the publishers for obtaining business for their patrons, if they have a plan. Is it aggressive and effective? The kind of men who are represented in its pages.

There are two general classes of publishers. One class embraces those who issue a book and circulate it without employing an organization back of it to drum up business. They are in reality book publishers only.

To the first class belong a very few, like Hubbell and Sharp & Alleman. This is the old-line Directory, dignified, respectable and responsible. A few years ago no other sort of book was known. No question was ever raised as to the ethical side of card advertising in its pages. The greatest law firms in the country patronized it and still do. Its publishers charged a fixed price, not dependent on any considerations excepting space occupied.

The second class is a Law List or Directory and something else, and this something else takes many and various forms and names.

One publisher has branch offices and a soliciting force to visit merchants or agencies, or both, who endeavor to secure by means, many and varied, their forwarding business. They generally give their book gratis to Forwarders.

Another gives or sells with his book a system of dunning letters, drafts, forwarding letters and report blanks, which are to be used in conjunction with the book in collecting direct or through the list representatives.

The solicitation of business by publishers in behalf of their representatives raises a grave ethical question, which some day must be settled, for admittedly the price charged for representation in the books of such publishers is based not on space used or in circulation, and hence fixed, but on the amount of business had or

expected. Indeed, this rule of measurement is openly applied in determining as between buyer and seller of representation the price to be paid, and yet if A were to go to B and say, "For one hundred dollars I will deliver to you so much business," he would be shocked at the proposal.

That this system of charges is firmly entrenched can not be gainsaid. It is well-nigh universally recognized and taken for granted. High-class men, both publishers and lawyers, permit its operation without protest, on the theory that whatever is is right. But I may be permitted to hazard the guess that the day will come when a better system will be devised.

The bad results of this system of price fixing are seen in the unseemly scramble for business on the part of Law Lists, the buying of business from clients and Forwarders by many and devious devices, either cash or other consideration, and the constantly increasing cost to the lawyer of representation, since in the last analysis it is he that must pay for the publisher's soliciting enterprises.

As with every other business permitted to grow without hindrance from outside authority, the list publishing business has, in individual instances, taken on some undesirable features. As long as every list pursued its own way, according to its own sweet will, these features naturally increased in number and ugliness. It was inevitable that some day a means would be found to save the lists to themselves and to the world of business that requires them.

These means were found through the Commercial Law League of America, which several years ago appointed a committee, known as "the Committee on Complaints Against Law Lists." This committee never did more than meet and decide as to its jurisdiction and listen to a few minor complaints. But it served to call attention to the fact that complaints did exist.

In the League year 1916-17, President Earle W. Evans, in a spirit of friendliness, invited the leading list publishers into conference. These publishers, nine in number, met with Mr. Evans in New York City and co-operation among the lists for the betterment of conditions was the matter of consideration and debate. The result of the meeting was beyond expectations. The nine publishers—namely, the American Lawyers Company, the United States Fidelity and Guaranty Company, the National List, the C. R. C. Law List Company, Martindale, Wilber, the Mercantile Adjuster, the Clearing House Quarterly and the Bonded Attorney—organized themselves into a permanent body, to be known as “the List Publishers’ Conference,” and elected as officers Marshall D. Wilber President and Charles Friend Secretary.

Such a body, in which there is the utmost freedom of expression, cannot fail to bring to light irregularities, reform incipient or well-entrenched abuses and do away with the harmful methods that always accompany unbridled competition.

I believe this conference can multiply its usefulness many times by admitting to its councils many list publishers not now represented in it, who, though owning smaller enterprises, are yet capable and worthy representatives of the business.

It should be the aim of every one to encourage an honestly conducted list enterprise. The Law List is an indispensable implement of business, both lay and professional. Chaos and confusion in the collecting and reporting world would at once result were its services to cease.

The widest use can be made of perhaps a score of such enterprises in a country of over a hundred million population, but not of a hundred such as now seek to occupy the field.

How to get rid of the large number of superfluous and at the same time worthless lists is a question requiring answer. I believe the problem is solving itself. The Commercial Law League of America is making it very difficult for the incapable and irresponsible publisher to continue. Evidences are multiplying that scores of lists are on their last legs. Some are changing hands, which is a sign of weakening; some are pooling issues with others.

Seldom now does a new list get more than a start. The League adopts the plan of taking the new list into its confidence and pointing out the pitfalls ahead. In a score of instances within two years the result of the League's advice has been the withdrawal of new enterprises.

The Information Bureau of the League, by giving advice to the members as to all list publishing enterprises, as soon as they appear, has resulted in the withholding of support by lawyers, so necessary to the successful launching of new lists.

Lawyers are being educated through the League, its bulletins and its conventions, to spend their money judiciously and, whereas, before the League's beginnings, lawyers had no means of knowing the facts behind glittering promises on paper and glib presentments by sleek solicitors, they now have a prompt and reliable source of information.

I am satisfied that another ten years will see the number of Law Lists reduced by half, if not two-thirds, and such prosperity brought to the enterprising, responsible and honest publisher that many of the abuses now prevalent by reason of the scramble for business will have passed away, largely through the action of the publishers themselves.

As an illustration of the way the profession is being hoodwinked by dishonest list publishers, let me cite this instance:

A smooth talking solicitor is now on the road representing two lists, both published by the same individual. He is offering representation in some cities to from ten to twenty law firms at prices running from \$50 up, and he is getting away with it. I examined into the case.

First I obtained a copy of the lists. One was printed on good paper in clean type and well arranged. The whole had the appearance of respectability and worth. The title page annouced the edition to be volume 13. I thought this strange for several reasons. First, I had never before seen the list and I have had my eyes open for some years; second, I had never heard of it, and I have had my ears to the ground for some time listening for new things; and third, the type impressions were of a uniform shading throughout the book, which is not the case where pages have been kept standing for reprinting from time to time, since the new names will show up clean and the old ones will be blurred. So much is this so, I know of a case where a firm whose name appeared in a Directory for the first time refused to pay because a different, a blacker type had been used (as they thought) for the names of their competitors, while the fact was the type on the other names had passed through several editions and was worn, with the result stated.

For these three reasons I made up my mind there was a "nigger in the woodpile." I wrote the publishers asking for copies of prior editions and got the information that the list was new under the name used, but had succeeded some nondescript publication started years ago, which had about as much resemblance to a Law List as black resembles white. In fact the new book was not volume 13 at all; it was volume 1 as a Law List and had no past, good or bad. Yet every lawyer solicited thought he was being asked to put his money in a proposition of years' standing.

Then I went farther. I found cards of four well-

known Kansas City law firms in the list—not their firm names only, but in connection therewith their specialties, their references, etc.—quite formidable cards. I wrote these four firms asking if they had made contracts with this directory and they all denied having had any dealings with it and having ever heard of it.

Here then was before the prospective subscriber a very capable solicitor, with a good looking book in its thirteenth volume, patronized in Kansas City, for instance, by four of the best known commercial firms in the West. What was the natural inference? That the proposition was worthy. Immediate result, a contract; ultimate result, no business, disappointment, distrust of all list propositions.

This is but a sample case. There are scores of such lists fattening on the profession through fraudulent representations, sometimes on the lips of sleek salesmen (and some of the smartest salesmen in the country are engaged in this business) and sometimes by a lying appeal to the eye in the way of a fake book, representing itself to be something when it is nothing.

I have had solicitors tell me that, next to bankers, lawyers are the easiest marks in the world, and I have not had the heart to take issue with them.

The Commercial Law and Collection world must take steps to put an end to these frauds. It is not correct to say that only the suckers are caught; I have yet to see the Commercial Lawyer who is invulnerable to the insidious wiles of these propositions. One of my oldest and best friends gave up \$300 for a piece of waste paper, even after I had advised against it, and he later admitted to me that the older he grew and the more he knew the "easier" he was.

I haven't very much sympathy for the old and experienced practitioner who gets on the hook, but I do have much for the thousands of young men who annually take up the specialty of Commercial Law and hun-

ger for a way into a clientage which the Law List presents to them. It is this class of men who serve to keep the worthless lists alive. The publishers go on the theory that "a fool is born every minute." All they need do is find the fool.

I have tried to figure out the amount of money squandered by lawyers on worthless list schemes annually in this country, and the figures made me dizzy. A Law List publisher thinks he is doing nothing at all if he fails to fetch a gross \$5,000 annually for his list, and the greater number figure on two to three times this amount. There are easily seventy-five lists in the gambling class—or lists that prove worthless to ninety per cent of their patrons. Therefore from a half a million to a million dollars is obtained by a few irresponsible list publishers out of the legal profession, for which it gets a return not worth mentioning. Is it not worth while to seriously consider what should be done with an evil of this magnitude?

There is another bad feature of this business. Every disgruntled, disappointed, cheated list subscriber is spoiled for the better class of lists and made to suspect the whole system. Often he is driven from the commercial practice entirely by a few such experiences.

If it is true, and that is conceded, that we need Law Lists at all, we should see that those conducted on right lines succeed and that those not so conducted should fail. The best lists cannot succeed as they should until every "skate," every fake, every fly-by-night is branded and run out of business.

It is the rarest thing in the world when one of these fake propositions is not financed wholly by the lawyers who patronize it. The stock in trade of these concerns is invariably a printer's bill and unlimited nerve. It goes without saying, then, that beyond printing enough books to supply the lawyers who pay for the

insertion of their names they know no such thing as "circulation."

I believe the time will come when the C. L. L. A. will enroll every reputable Commercial Lawyer in the country in its membership, and that no member will make a list contract without consulting the League's secretary by wire, telephone or letter.

I further believe that the League will go a step farther than merely giving advice on an inquiry being made. I believe it will demand that a board of good, fair men sit on all list propositions, determine their fairness, classify them and advise the entire membership of their decisions, this in addition to its present biennial report of the experience of its members.

I believe further that a fund will be established by the League, to be added to from year to year, to prosecute fraudulent list publishing schemers, as well as other frauds that find the lawyer good plucking.

I believe further that the growth in number and influence of local associations of Commercial Lawyers, where all sit together occasionally about a common table and talk shop, over soup and nuts, will drive the unworthy into a corner.

At a meeting of Commercial Lawyers recently held, it came out in a desultory discussion that three firms represented at the table had paid for sole representation in a certain directory covering the same period. That directory publisher was then a member of the League. He has since been expelled. Were it not for that meeting these three firms would have been blissfully ignorant of the fact that three different books had been printed for that town, each firm being sole attorney in one of them.

At another meeting it came out that prices were being juggled for that town, some being charged more than others, and for no good reason.

When lawyers engaged in the commercial practice come to see the value of this get-together idea there will come the dawn of a new day for them.

I am sure that when the four things above enumerated come to pass, the Colonel Sellers of the list world will be seeking other employment.

I am wondering how long receiving attorneys will support Law Lists which charge them for "representation" a good round figure and then proceed to give away or sell at nominal figures every conceivable form of direct demand letter, bank draft, etc., whereby the client may get his money without the lawyer.

It is as if the publisher said to the lawyers, "pay me your money and I will get you business," and then turned to the business man and said, "pay me and I will keep you out of the hands of lawyers."

I am coming more and more to respect the Hubbell style of Legal Directory, where there is a fixed price for cards and the publisher works for the lawyer, or at least does not lay awake nights devising cheap schemes by which business men may, through them, circumvent the lawyer.

Some of the worst sinners in this regard are among the widest known and most reputable lists. I am wondering what the publishers could really do for their "representatives," who are now doing much complaining of the rapidly rising scale of prices for representation, if they devoted half the energy to getting profitable business for them that they devote to keeping business out of their hands.

If the "attorney representatives" of some of these lists could read the circulars sent by the latter to business men, in which is shown the other side of the shield, Rome would howl.

But the publisher says, "we are doing this in the interests of business generally. It is for the good of the business world that we enable them to realize on their

credits as cheaply as possible." Then, I say, devote yourselves to that and give to the business world a list of attorneys they may use in the last extremity and make that a part of your humanitarian and altruistic effort, but in the name of all that is good don't spoil your idealism and your philanthropy by turning to the lawyer element of the business world and hypocritically saying, "pay us big money, for we need it to get you the business."

Few lawyers realize how many and what processes business goes through nowadays before it finally reaches them. The free demand letter (often sold by the publisher at so much a quire), the two per cent or three per cent or the free draft, the direct agency effort, then finally the lawyer.

And just recently I saw a letter to a New York house written by a New York lawyer, a League member, offering to write one personal letter on his stationery to as many of the firm's delinquent debtors as the firm might name, for the period of one year, for fifteen dollars! Shades of Mansfield! To what depths of professional infamy will not good men descend! And this is but one example of the quirks and turns being used by forwarding attorneys and agencies to make money and cheapen this whole proposition. Is it any wonder there is a great and growing number of business men who pooh, pooh the lawyer? He belittles himself.

I again ask how long lawyers will patronize agencies and lists which with one hand give them business and with the other take it away from them?

I am glad to say that by reason of the Commercial Law League of America, its bulletins and its conventions, lawyers are coming to learn what is going on and are coming to know how to distinguish between the true and the false.

But I give this warning: It is not so much the little fellow in the publishing world that is playing the

double game. His playing it, indeed, would do little harm. It is some of those who give lawyers the most business. I do not complain of their giving much (and it is none too much at the best), but I do complain that they give less than they might, by putting every obstacle possible in the way of a delinquent claim reaching attorney's hands and dividing the profit of the transaction between the clients and themselves.

To my mind it is not so much the fault of the reputable law lists that the lawyer who subscribes for and obtains representation is not treated fairly in the matter of business, but it is with the unfair jobber or dealer with whom such lists are placed.

They seem to have no conscientious scruples about taking the lawyer's time (which to the busy one is a very valuable asset) to answer requests for reports as to the credit and financial standing of existing and prospective customers, with the usual promise of business in return as compensation. This promise is the alluring snare which catches us all. It is usually an empty one, made with a mental reservation, and when the time comes when it could be kept, and when it might be possible to "put a little water upon the wheel" of the correspondent by placing in his hands some collection or other business, the law list is not again referred to, but the claim or business is at once placed with some local attorney who, if he is within reaching distance of the debtor and the claim sufficiently large to indicate a fairly decent fee will look after it in person or through some clerk in his office, or if it is a small, doubtful matter and one which will require much effort to collect, will be forwarded upon a division of fees to some attorney on the ground floor (where it should have gone in the first instance) but frequently lodging in the hands of some one other than the one who has been so systematically worked for reports; or the merchant or jobber may place it with some collection agency or often with an adjust-

ment bureau, most of which attempt to go outside their legitimate field and enter the field as commercial or collection agencies.

The live wire, the attorney who strives to keep in touch with credit conditions and make reports promptly and in detail, ought surely to be the one in all fairness to whom such business could be entrusted, and who, knowing conditions, will usually give as good or better service than another, especially when he has the incentive of a small fee which he does not have to split it with some one else.

The question is, how can the publishers of law lists correct these evils?

Unless relief can be had from some source, Bar associations will in many places take the matter in hand and fix an adequate charge for a reporting service.

It requires today a large capital and much influence and a wise plan to put a law list on its feet. This is becoming more and more true, for the lawyers of the country are coming to understand the situation and rely upon the information of the League.

The League has no desire, if indeed it had a right, to stop a worthy enterprise. It believes, however, that in the present situation there are enough law lists to serve the country acceptably—indeed, more than enough. More law lists than we have now would not increase the business of the lawyer, but simply multiply the channels through which it flows and makes it necessary, if the lawyer retains his business, that he assume more law list contract obligations and pay out more money. Neither the mercantile world nor the lawyers need more law lists.

Men who are investing their money and their faith in new propositions of this kind are doing so without proper information as to the conditions. It would almost seem to be some one's duty to put prospective investors in such enterprises into possession of the facts.

There are four score or more law lists that the country can well do without. The publishers, we believe, are finding this out; but the trouble is that instead of closing up their business and going into something more remunerative and more in demand, they seek to unload their holdings on new and inexperienced men, who, in turn, have to learn by experience that they have white elephants.

We have a great deal of sympathy for the list publisher. It is not an easy business and there is no such thing in it as easy money under the usual conditions. There are a few such projects that have made and are making big money, but the great majority are sledding along on thin ice, a large number of them, if the facts were known, being heavily in debt. To keep going at all they are led into practices that are not commendable, to say the least.

Some of these lists are an absolute injury to the commercial world, as, after men have invested their capital in them, there are not sufficient returns to the enterprise to enable the publishers to spend the money required to keep them up to the proper standard. It would be better for all concerned if such propositions could be entirely eliminated.

The law lists are mostly to blame for a condition that is much to be deplored. There are many small cities and towns in the country where it is almost impossible for a new man to break into the commercial law field for the reason that the bulk of the forwarding business is controlled by a comparatively few law lists, and these lists, whether purposely or otherwise, very largely employ in these localities the same individuals, so that there comes to be a commercial law and collection monopoly.

I have had many earnest letters from lawyers in good size cities stating that they are anxious to get into the commercial game but that they find no opening, that the

law lists will not accept them because representation is already contracted for. On investigation, it is found usually that the various law lists employ (at the most) two or three, or four, firms, or individuals. The likely candidate for the commercial law field is therefore discouraged and enters another field. On the day that I dictated this for publication, I received a letter from a lawyer in a large Kansas city who tells me that he is desirous of adding a commercial department to his office in order to give his son, who is just graduating from a law school, an opportunity to at once get into employment, and finally build for himself a general practice. He asks me how the young man, aided by him, can get into the field. I am at a total loss to tell him how, because I discover that the field is monopolized by a few firms and that it is entirely unlikely that this lawyer can, for himself and his son, make any impression whatever upon the forwarding world by reason of the fact that the avenues through which the business comes are closed to them.

This condition, more than any other condition that I know of, is hurting the commercial law business, as many a man attempts to transact this sort of business and organizes his office for it only to find that he is unable to control enough of it to pay expenses, not to speak of making a profit. I do not know that this condition can be remedied by the law list publishers, but an effort might be made to do so. The subject is worthy of consideration by the "Law List Conference."

A new development of recent years in the commercial law and collection field is the bonding of attorneys. Our fathers and grandfathers in the law would have held up their hands in holy horror at the idea of a lawyer being bonded to perform his duty, by a surety company.

The ethical lawyer stands aghast at the idea. However, the bonding of the commercial attorney is here, and

probably here to stay. It has seemed to come along with some other undesirable things as a necessity of modern business.

There is coming to be less and less sentiment about business. The average man is getting over his feeling of veneration for the profession of the law. A lawyer, nowadays, is being judged by what he does and what he does not do, and not by the fact that he holds a license to do his business received from the state on examination of his qualifications.

The law list, and particularly the law list that is owned or controlled by people interested in surety companies, is responsible for this new development. It took but one law list to adopt this bonding feature to make it necessary for all the others to do so, since the talking point thus given in favor of the bonded list was a decided advantage to it. Now, merchants and manufacturers, and professional men generally, in the sending out of their business select a bonded list. It does no good to cry out against it and stigmatize it as unethical. The modern commercial lawyer must submit to be bonded or get out of the business. He is, therefore, accepting the inevitable.

Some lawyers, not being able to get into bonded lists by reason of the representation therein being sold to others, are bonding themselves in surety companies, or depositing stocks and bonds with trustees as security for the faithful performance of their professional duties. All of this must strike the old-time lawyer and the ethical lawyer as very unsatisfactory and very unbecoming in the professional man. The lawyer, however, in this as in many other directions, is up against the proposition of falling into line with modern requirements or changing his business.

An illustration of how a man who loses his representation in the bonded list is forced to bond himself if he desires to retain any commercial business at all is fur-

nished in the case of L. E. Hinton, of Little Rock, Arkansas, who retired for a time from business on account of ill-health, giving up representation in the leading law lists, and who, on the recovery of his health, attempted to return to the practice but found the old avenues of business by way of the law lists closed to him by reason of contracts made with others. Realizing that the commercial world was requiring that receivers be bonded, he deposited \$10,000.00 in Government bonds with a trust company in Little Rock conditioned on his faithful performance of his professional duties and accounting to his clients for moneys collected, etc. When Mr. Hinton sent me a copy of his bond, beautifully engraved, accustomed as I was to the bonding feature of the law business, I felt a distinct shock, though I am not over-ethical in my composition.

Attorneys should keep a record of the business received over the lists they represent and in contracting for representation should always give their moral and financial support to those lists that deal fairly with the attorneys and those who use their directory as a guide in sending out business. In other words, they should assist those publishers who have an established record for controlling business and are willing to assist them, and should discontinue support to those who constantly seek to hold them up. The managers of the leading lists are gentlemen of high character who will always be found fair with those who are fair to them. They feel that the support given unfair publishers and agencies is one of their greatest hindrances in their endeavor to advance lawyers' interests.

Some of the publishers of law lists, in securing contracts and compiling their lists of attorneys, are governed entirely by the amount of subscription or representation fee they are able to obtain, without reference to the qualification or standing of the attorney whose name they publish. Figuratively speaking, these pub-

lishers put their lists on the auction block every year and sell it to the highest bidder. Fortunately this practice is not indulged in by the managers and publishers of the leading lists. They look first and above all to the character, ability and standing of those whose names they publish. That there are occasional lapses from this rule cannot be gainsaid. Self-interest requires that the publisher pay close attention to the personnel of his list, as his bonding scheme would make any other course too hazardous.

The Commercial Law League of America has declared that it will hear complaints against Law Lists on the following grounds:

1. Misrepresenting the quantity and quality of their circulation or any material matter that might influence an attorney in buying representation.

2. Placing copies with their subscribers or with others who are known to use them for the purpose only of obtaining commercial reports, or are known to have no business for attorneys.

3. Failing to issue bona fide editions of their directories as advertised, or as agreed or contemplated in the representative's contract.

4. Buying business for their attorneys, directly or indirectly, or by any subterfuge, by which their attorneys become participants in the benefits, and thereby really parties to the transaction and liable to be disciplined for unethical conduct.

5. Neglecting or refusing to stand by their agreement with their attorneys, or their guaranty agreement with their subscribers, without just cause.

6. Furnishing by sale or otherwise to their subscribers dunning letters, notices or forms containing blanks to be filled with the names of their attorney representatives, whereby their subscribers may use such attorneys' names and influence in obtaining settlements against debtors without the knowledge of these pro-

ceedings being given the attorneys and without their being compensated for such unwarranted use of their names.

7. Exacting of a forwarder, as a condition of representation in a law list, an agreement on the part of the forwarder to send all or a fixed part of his forwarding items over a specifically named law list.

8. Using claim coupons as a demonstration to attorneys of the business getting qualities of the list without advising the attorneys as to whether the clients represented by the coupons use the list as a preferred list.

THE LAWYER AND THE AGENCY.

Indiscriminate abuse of collection agencies is unfair. That there are bad collection agencies is true, but no truer than that there are bad lawyers. A judging of all by the delinquencies of a few (a course indulged in by some lawyers), is on a par with the damning of the legal profession by the general public because of the rashness of a few of its members.

I hold no brief for the collection agency. I am not an "agency man" and never was, save for a few months back in 1889, when I was inveigled into accepting the local secretaryship of a well known general agency, and endeavored to splice it on to my work as a practicing lawyer, and with poor success; but I believe in fair play.

To judge from the attacks made upon it, you might think the whole agency system was harmful and should be done away with, and that direct dealings between the mercantile world (the chief and almost sole client of the agency) and the lawyer would be a more wholesome and satisfactory system.

Now, while I naturally side with the lawyer in his views, I take issue with him here. The agency I believe to be a necessity to lawyer and client alike. The agency serves as a prod to the merchant, and it goes after and

gets for the lawyer what the lawyer cannot go after and get for himself. It trains the client to stricter looking after his delinquents, and it trains the lawyer to a more prompt, systematic handling of commercial claims.

The agency, getting in business on a big scale and making its money by a prompt, continuous, persistent looking after details, is forced to adopt system and thoroughness. In no other way can it hold its clients and make its salt. The agency, let it be known, was systematic long before the lawyer was, and much of the latter day machinery and methods of the commercial lawyer's office is the result of the repeated demands of the agencies.

I recall a talk I had with E. J. Wilber thirty-five years ago in his Chicago office, when the burden of his plaint was the slipshod, unsystematic, irresponsible and oftentimes irresponsible lawyer. That was before the day of the modern commercial lawyer, with his up-to-date equipment, his wide acquaintance with men and methods, his League and his literature. The agencies, I say, brought much of the improvement about by the necessity they were under of reporting results to clients, the most of whom were right at their doors wanting returns as soon as they let go of their claims.

The agencies, I have said, are a prod to the merchant. Do I need to tell you how? I am in the bounds of reason when I say that the average business establishment, particularly if prosperous, is too busy making money to give strict attention to delinquent accounts. Often the collection manager is a hard-worked bookkeeper. His books must be kept to date, they must balance daily. Current business calls for his time. The accounts that are coming slowly worry him, but they can wait till the current work is finished, and that is never finished; then there is always the hope that the delinquent will pay up; and there is always the temptation to give him a chance.

The bookkeeper's effort to collect is often spasmodic, weak, easily discouraged. The agency is in the business of collecting; it does nothing else; its solicitors are constantly "on the street" and wherever they can get a hearing they are begging for a chance at the slow payers. I am not exaggerating when I say that millions of dollars in fees have been earned by lawyers from accounts and bills receivable literally wrung from clients by the persistent agency solicitor. All this is salvation to many a merchant and helpful to many a lawyer.

I recall a case in point. I had a client in the eighties who was an old time jobber in the line of hats and caps, with a big store on Jefferson avenue in Detroit. He brought me in a \$500 claim one day. The debits and credits had been running for years, the debit side slowly gaining, until a sudden halt in payments on account had fully awakened attention. "Be easy with this man," said my old friend, "he has been a buyer from me for years."

"I fear," said I, "your customer needs drastic treatment. You want and need your money. Better let me get it. By the way," I continued, "how many more such 'friends' have you in the trade?" and here I drew out the truth that I suspected. As a jobber my friend had been slowly going to the wall. His answer betrayed the reason. "I have been too easy, I fear." The old man failed and among his chief assets were accounts and bills receivable running into the thousands of dollars, that had simply gone stale from his failure to push them. He never employed a collection agency, though, as he confessed to me, his life had been made miserable by their constant solicitations. Now, for every one merchant who resists the agency solicitations there are thousands who yield, often against their will, and are thereby compelled to keep their accounts grinding because under an agency contract they must do so, and some one is always nagging them to see that they do.

The ethics of the legal profession debars the lawyer from going to the merchant and coaxing business from him. He must wait the merchant's move and, as I have hinted, no matter how great a business producer the merchant may be, it is exceptional when he is a good collector.

The agency supplies the prod to the merchant and runs the errands of the lawyer. Without the agency the slow bookkeeper would be slower still, the forgetful office man would be more forgetful still, the busy man would be busier still, and good business with good fees to the lawyer would slumber the sleep of death.

That there are fraudulent, incompetent agencies, that there are abuses, that there are many things to find fault with and remedy—well, that is another matter. The agency system itself is essentially a good thing.

What is the true function of the collection agency? Manifestly it is to collect; so far we are agreed. But how far can it or should it go in pursuit of its business and not trench on the practice of the law and rob the professional man of his field and his work. Here possibly we are not agreed.

There are some who contend the agency may properly and as a matter of right go to any extent necessary to get the money short of an action in court. Some may not claim so much, but their practice is in conformity with this view.

Others contend that there is a limit to the rightful activities of a lay agency beyond which it may not go without invading the legitimate territory of the professional man.

The former class resort to every imaginable process to realize on claims short of lawyer employment. The greatest ingenuity is displayed in its work. Books are written and instructions sold by men who claim to have discovered ways of getting along without the lawyer. Agencies openly advertise that they have the means and

the ability to circumvent the lawyer and offer cheap inducements to lay employment, which catch the credit man or the merchant himself who, as a rule, sees only the first cost of cheap methods and never wakes up to the ultimate cost till it is too late.

Cleverly worded direct demand letters on agency letter-heads are sold in great quantities to business men at a nominal cost. Books of blank drafts in various formidable forms are sold at given prices to merchants in the expectation that if payments are made the agency will realize a two or three per cent.

In some cases these drafts are sold or given away by agencies that control law lists and the lawyer representatives in these lists are named in the drafts coupled with threats. In case the drafts are not paid the claims are supposed to fall into the agency hopper to be worked in other ways too numerous to mention. Suffice it to say that in ninety-nine per cent of the cases every conceivable effort is made direct before the lawyer is employed.

Agencies, and some lawyers who are merely laymen in disguise and are a disgrace to the profession, sell their own letter-heads to be used by merchants.

Some offer to send duns to delinquent debtors over their own signatures at a nominal rate per annum in any number—in one case at \$15 a year.

Some promise free legal advice. Some for a consideration agree to guarantee results. Some hold forth the personal adjustment plan, agreeing to send trained adjusters to interview debtors, giving them the appearance of being direct representatives of the client.

All of these methods and more are held out as inducements to lay employment, coupled with the insinuation, often the direct statement, that lawyer employment is to be shunned as neither safe nor efficient.

The result of the daily solicitation of the merchant by agency solicitors with their specious arguments is the

steady spread of agency employment and the gradual narrowing of professional employment to the occasional direct client and the worked out agency claims.

These questions are pertinent: Is it fair to the professional man? Is it fair to the business man? I claim it is fair to neither. It is unfair to the professional man in that it breaks the fundamental principle of business that calls on men not only to live but to let live. Primarily the enforcement of rights, particularly of contract rights, is the province of the lawyer. He has prepared himself by long training for this special field of work. The state licenses him to occupy a special place of confidence, that should exist between principal and agent in matters dealing with legal rights and obligations. He alone may advise in matters having a legal bearing. For a layman to do this is for him to attempt to practice law. The lawyer alone may advise and direct in matters demanding legal interpretation, and every demand has its legal aspect.

The agency is usurping the lawyer's functions. It passes on the legality of claims. It advises as to bringing law suits. It directs suits to be brought. It employs lawyers. It gives directions as to the process. It does for the client often all the lawyer could do, excepting the actual drawing of legal papers, and it often does this, and appearance in court, and the latter it does often through salaried employes admitted to practice law.

The modern agency does the lawyer's work up to the door of the courthouse.

And this process of driving the lawyer to the wall is an easy one because of an artificial handicap the lawyer has put upon himself—his codes of ethics, which prohibit his soliciting business and advertising his abilities and his facilities, excepting in the most perfunctory way.

True, the lawyer's necessities have driven him to ways of circumventing this handicap, as by organizing

agencies of his own and putting laymen in charge, and by paying large sums of money—millions of dollars annually in the aggregate to Law List publishers, but all of these verge closely on the unethical and fail to appeal to the great majority of high-class men in the profession.

The fact is, under present conditions, the lawyer must do one of two things or lose the commercial practice—first, disregard his codes of ethics, or, second, take steps to confine the layman within proper bounds.

There are some who will say that the success of agency efforts justifies their existence. This might be so if it were always true that the way justifies the means.

An agency man, answering my criticism of one of his schemes, said: "It does the work, and, therefore, it is justifiable. If it serves the public it is a good thing." The same defense was made of rebating, underselling, putting out of business small operators and dealers by the Standard Oil Company at one time. Our methods, they said, give uniform, better and cheaper oil to the public. No matter as to the individual's right to employ his energies and capital in enterprise, he must go down before combination of wealth and power. It is the spirit of "the public be damned."

The agency defense is, more and better results come from our methods, therefore the lawyer be damned. We will use him only as a last resort and then at fee rates that we will ourselves make for him.

It might seem from this that I am the foe of the agency system. I am not, but I am the foe of every scheme that would carry that system to the extent of putting the commercial lawyer out of business.

If you will study the history of the Commercial Law League of America, whose policies I have helped to shape, and my writings in the magazines I have edited

during and before the first years of the league's history, and if you will read other pages of this book you will learn that I have always been a champion of the honestly conducted agency.

Those who know the inside history of the Detroit convention of 1895, that organized the league, will tell you that I was chairman of that convention; that when the convention set about finding officers to serve the new organization I was asked to take the presidency and refused, giving as my reason that in a sense I was the host and the convention was my guest and that I felt it would be improper for me to accept an office. On its transpiring that a move was on foot fostered by certain lawyers at that convention to exclude all laymen from the new organization and to elect a corps of officers in sympathy with the move, I at once announced my candidacy as the champion of the lay members of that convention and of those who desired a league of commercial law and collection interests, professional and lay; and you know the result.

I believe in the honestly conducted, fair spirited agency. I do not believe in the conscienceless, unprincipled concern that recognizes no limits to its aggression, wins only by pulling others down and boasts that because the public buys its service therefore it is legitimate and necessary.

The Sprague Mercantile Agency, the Barr & Widen concern and other such agencies were immensely successful for their owners for many years, but their names are now only a stench. These are only examples of agencies run by men who cared nothing for business decency and less for professional decency. The failure of one of these brought greater loss of money to business men than was lost in twenty years by the defalcations of all the lawyers in a whole State like Illinois or Missouri.

The money lost through dishonest lawyers every

year is but a bagatelle to what is lost through agencies. So, while the agency system serves a legitimate purpose, it does so only when conducted honestly and in accord with fair business principles.

Lawyers, as a rule, do not object to the legitimate collection agency. They know it performs a useful function in the world of business, but the agency system, by its multitudinous schemes for blocking for the business man the avenues of approach to the lawyer, is winning the distrust and oftentimes the ill will of the legal fraternity, which is bound to voice itself in laws hostile to lay activities in collection fields, as is already the case in New York, Illinois, Missouri and some other jurisdictions.

The legal profession is conservative and slow in protecting itself, but when it is once aroused it has the power of shaping legislation that once used will be felt.

An agency reaches the climax of unfairness in its dealings with the lawyer when it asks a price for sending him its business. No lawyer with any respect for himself or his profession will pay an agency for business any more than he would pay a client.

In some cases the agency makes no concealment of the real nature of its demand. It says, in substance, to the lawyer: "We are spending money to get you business. Our business is worth your while. Pay us five or ten dollars to help us secure this business and we will make you our representative." There is no pretense that it is other than a direct demand that the lawyer buy business or pay for the soliciting of it—two things his code of ethics will not permit him to do.

Some agencies adopt a subterfuge to conceal the true nature of the transaction. They are not list publishers. They, of course, have, as all agencies have, their office list of correspondents. This list is for their own use only. The specious plea is made that the money asked is for representation in their "Select

List" (various names are used to characterize it), thinking thus to give the lawyer a way of easing his conscience, since he can say, "I am paying my money for list representation." The lawyer is only buying business; he is not buying list publicity.

Another method of lulling the lawyer's conscience or hoodwinking him is to offer him some special service in the way of information as to the value of Law Lists, etc.—the same work the Commercial Law League of America does for its members free of charge. Nobody in his right mind thinks this agency is selling special service; it is merely doing the lawyer out of a bonus, because it practically compels the lawyer to think, if it does not say so directly, that if he does not buy the "special service" he cannot represent the agency.

The worst of it is, the agencies asking a bonus employ the most extreme methods of realizing on claims before employing the lawyers who have been induced to pay them for their business; and not only that, they will be found invariably offering the lowest fee rates to their attorneys; and, still more, they invariably ask a rebate of one-third and in some cases one-half of the fees that the lawyer earns on the business that finally reaches him.

If it ever happens that the agency offers its business for a bonus and promises the entire fees to its attorneys, the unethical aspect of the question still remains, and by the very offer it indicates its inability to control business for its representatives, since if any appreciable amount of business could be sent an attorney a division of fees would be more profitable to the agency than the bonus usually asked.

In other words, an agency with business for attorneys could not afford to say to them, "Pay us \$5 and we will send you our business without division of fees," since a division of fees on one item sent is likely to equal the bonus, and on several or many items much more

than equal it. The offer shows the agency expects to be the gainer by the \$5 bonus plan; and, if so, then the lawyer may expect to be the loser.

This bonus proposition from agencies may be expected when a lawyer receives a good piece of business from them. It is the psychological time to reach him. Often the agency will sound the lawyer first by intimating that it has business on hand which it is prepared to forward if the lawyer "comes across," or words to that effect. In all such cases the lawyer should refuse and keep his self-respect.

One may ask what is the difference in principle between paying a bonus in the one case and giving up part of the fee in another. The difference is great and is material. The giving up of a part of the fee is always in a case actually in hand, where the fee is earned, and the Forwarder's right to a portion of the fee is based on the proposition that the Forwarder and Receiver are co-workers in the matter, each spending time, effort and money in it. The Forwarder receives and acknowledges the claim, docketts it, selects the lawyer to handle it, forwards it, keeps track of it, sees that the attorney acts promptly and efficiently, reports to clients from time to time, is responsible for the outcome and handles the proceeds. The one-third rebate to him is not as compensation for obtaining the claim in the first instance. If it were, it should never be allowed. The "bonus," on the other hand, is money paid usually in advance of receipt of business and paid to help the Forwarder get business.

It may be said that any method of collecting is justifiable that compels a stubborn debtor to liquidate his debt. The United States postal authorities have said no and the courts have said no.

The use by agencies of forms and duns that are intended to reach the public eye and bring disgrace to the party dunned are not justifiable. The use of forms of

notice that appear to be processes or orders of court are not allowable. Vile and abusive letters and the intentional missending of letters to hurt the reputation of the debtor are not to be used.

Agencies engaged in the "dead-beat" class of work and employing questionable methods should be themselves blacklisted and shunned by all decent men, whether laymen or lawyers.

A strenuous effort should be made by the agencies themselves to put the agency business on a higher and better plane.

There are local organizations of agency men in several cities, as New York, Chicago and Pittsburg, but these organizations are new and scarcely appreciative of their opportunities for good.

Personally I have hoped that, as with the list men in the Commercial Law League of America, so with the agency men, they would form a distinct, organized group within the League, with officers, committees and a definite object, and do a little housecleaning among themselves.

The defalcations of agencies as compared with the defalcations of lawyers are as ten to one in number and as one hundred to one in the losses incurred by the business world by reason thereof; and these failures are daily bringing into question the character of the entire collection machinery of the country, both lay and professional, and doing much to compel the credit world to resort to its own agencies, as evidenced by the rapid growth of the Creditmen's Adjustment Bureaus, managed in large part by the credit men themselves.

The laws requiring the bonding of collection agencies now on the statute books of some of the States are not effective. In some States the law is a dead letter; in others it is observed by only a few agencies for advertising purposes.

What the C. L. L. A. in general and the agency men in particular should do is to formulate plans and execute them looking to the eliminating of the crooked agency and the instructing of credit men as to "Who's who in the agency world," so that the enormous sum total of losses occasioned by incompetence, neglect and defalcation may cease.

The relation of the lawyer to the reporting agency deserves attention. Just at what time the work of making credit reports fell to the lawyer I do not know, but I do know that it is largely his work at the present time.

The making of commercial reports is not legal work. But it is a service the lawyer is called on to do because he is supposed to be in touch with local conditions and to know more intimately than others, save the banker, the money worth of his fellow-citizens.

As with every other work the lawyer does, he is entitled to compensation for credit reporting. Those asking for this service are well able to pay for it. There is no reason requiring the lawyer to do the work as a charity. It draws on his time, his knowledge, his experience and oftentimes his pocketbook.

But, as with the contingent fee system, this system of free reporting has become very thoroughly established, so that the average commercial lawyer finds himself making hundreds of commercial reports annually without compensation.

There must, of course, be a reason for the growth of this free service. The reason is found in the promise held out that the party asking the report may some day have legal business in the lawyer's town, and, in that event, that the lawyer making the report will get the business.

It is difficult to see where this differs from buying business. If A says to B, "Give me free service and I will employ you when I have the opportunity," wherein

is the difference when he says, "Give me money and I will employ you when I have the opportunity?"

The situation is queer, because the better the commercial reports the lawyer makes the less likely is he to get business. His best play would seem to be to make faulty reports that risky credits may be granted.

If the lawyer truthfully reports that the risk is O. K., the credit is granted, and the party, being good, pays. If the lawyer truthfully reports that the risk is not O. K., the credit is not granted. In neither case does the lawyer profit.

I am not going to say that commercial lawyers should quit credit reporting. On the contrary, I think they are the very men best suited to do it and that in doing it they render an immeasurably great service to the business world.

But I do advocate that free reporting be put an end to. In saying this I but repeat the sentiments of the Commercial Law League of America, expressed years ago in a convention resolution condemning "free reporting."

But what is "free reporting?" It is reporting without compensation. Compensation may come in many ways. It may be a money consideration paid for each report or it may be an arrangement between lawyer and agency, whereby the relationship of attorney and client is effected with the reporting service as a fixed service paid for by the client in any one of many ways.

The agency asking the reports may be a well-established agency with large clientele, handling a large collection business and supplying its clients with its attorney's list, that they may send their claims direct to the agency's representatives. The agency's undertaking to forward business is more than an illusory promise. It is known to have the business, not only of the house wanting the report, but of hundreds of others. The lawyer making the reports may be listed free or at a

nominal charge in the agency's published list, which is widely circulated. In the case of much of the business received the lawyer is not called on to divide fees.

In such cases as these the credit reporting cannot fairly be called "free." In most cases of the sort described, the reporting is well paid for and connection with the agencies, though entailing much reportorial work, is eagerly sought.

With the greater number of requests for credit reports such conditions as just described do not exist. The agencies have no business to send; they influence practically no direct forwarding, they distribute no list and their demand for a division of fees is invariable. This is free reporting.

It never pays to do free reporting for business houses direct. These houses use Law Lists in asking for reports, and agencies for sending out their business, and it is only by chance that the agency in sending out the business uses the same list as the house did in asking the report.

Both agencies and clients have been known frequently to call for credit reports on the same individual from several lawyers, promising business, of course, to all. The practice is a fraud. Hundreds of credit men are guilty of it. The remedies are local associations of commercial lawyers, with frequent comparison of experiences, the blacklisting of the guilty parties, and the reporting of them to the Commercial Law League of America for unfair forwarding.

The lawyer should refuse all credit reporting for which he receives no compensation aside from promises. He should not make the report and send it with a bill. He should send the bill first, and when it is paid send the report. A universal adoption of this plan would soon send the reporting business to high-class, legitimate reporting agencies, which make the reporting work for the lawyer a fairly remunerative part of his business.

The following brief on the collection agency and its relations with the lawyer, written by Charles L. Greenhall, will be of interest:

The collection of claims is a legitimate business, which may be engaged in by any person, and which cannot in any sense be said to infringe on the practice of the law, although attorneys are employed to collect claims. The right of laymen to conduct such business has never been questioned.

Am. & Eng. Ency. of Law "Collection Agencies," Vol. 6, p. 209:

"A collection agency is a concern whose business it is to collect all kinds of claims as well as notes, drafts and other negotiable instruments on behalf of others and to render an account of the same.

"An agency of this kind upon receiving a claim for collection guarantees that it will use its best endeavors to collect the same; that where suit is necessary it will select a competent and reliable attorney for the purpose, and in the event of the negligence, dishonesty or unauthorized acts of the latter will save the creditor harmless."

The relation between the owner of a claim and the collection agency is that of principal and agent. Many questions have been decided in the courts of all the states as well as those of the United States with respect to the relations between the collection agency, the creditor and the attorney.

A collection agency has the right to send a claim received by it for collection to an attorney in the pursuit of the remedy to collect such claim. If that is done without specific authority from the creditor, then the attorney employed is regarded as the agent of the collection agency, and not of the creditor, but if such specific authority is given, or may be inferred from the terms of the receipt or contract, then the attorney is regarded as the agent of the creditor.

"Principal and Agent," 31 Cyc. 1399:

"The employment of an attorney is not one of the ordinary incidents of agency. Ordinarily the principal should be consulted first and hence authority to contract for such employment on behalf of the principal exists only in particular classes of agencies or under circumstances making such employment necessary and proper to the performance of the agency. An agent to collect having authority to collect by suit if necessary, has the resulting power to employ an attorney to conduct such suit, and a principal is liable for payment for services rendered by an attorney employed by a general agent to whom the principal has entrusted business requiring the services of an attorney either in law suits or in other matters.

34 Cyc. 1426.

"The general rule that an agency to collect and receive money is one of personal trust and confidence, and therefore not to be delegated to another without authorization, does not apply to a general agency to take charge of and manage the business of a principal. A collecting agency which undertakes to make col-

lections at all points in the country through local agents and attorneys whom it employs and represents as skillful and reliable is responsible for the negligence of an attorney whom it employs on terms known only to itself. * * *

31 Cyc. 1427.

'Clearly subagents may be appointed when their appointment has been expressly authorized by the principal, and in such case the agent assumes no liability for the acts of the subagent, who is directly accountable to the principal. The principal's consent to look to the subagent will be presumed when he knowingly assents to the substitution of another in place of the agent he appointed.

Bank v. Gilman, 81 Hun 386, 491.

"In some other jurisdictions it has been held to be within the implied authority of the collecting agent when paper is to be collected at some place remote from that of the business of such agent, to employ a sub-agent in that locality to make collection on account of the owner. But in this state the rule is otherwise, and in the absence of any understanding or agreement to the contrary, is to the effect that the collecting agent is deemed to employ such other collector on his own account. Thus the collecting agent becomes chargeable to his principal for the conduct of the bank or individual to whom he transmits the paper for collection.

Dun v. City National Bank, 58 Fed. 174, 180.

"When the business entrusted to an agent is to be performed at a distance or requires or justifies the delegation of an agent's authority to a sub-agent who is not his own servant, the original agent is not liable for the errors or misconduct of the sub-agent if he has used due care in his selection (citing cases)."

Bradstreet v. Everson, 72 Pa. St. 124.

J. M. Bradstreet & Son gave a receipt to plaintiff "Received for collections," etc. The court states, page 133:

"It is argued notwithstanding the express receipt 'for collection' that the defendants did not undertake for themselves to collect, but only to remit to a proper and responsible attorney, and made themselves liable only for diligence in correspondence and giving the necessary information to the plaintiffs; or in briefer terms that the attorney in Memphis was not their agent for the collection, but that of the plaintiffs' only. The current of decision, however, is otherwise as to attorneys at law sending claims to correspondents for collection, and the reasons for applying the same rule to collection agencies are even stronger. They have their selected agents in every part of the country. From the nature of such ramified institutions we must conclude that the public impression will be that the agency invited customers on the very ground of its facilities for making distant collections. It must be presumed from its business connections at remote points and its knowledge of the agents chosen, the agency intends to undertake the performance of the service, which the individual customer is unable to perform for himself. There is good reason therefore to hold that such an agency is liable for collections made by its own agents when it undertakes the collection by the express terms of the receipts. If it does not so intend it has in its power to limit responsibility by the terms of the receipt. * * *"

Page 136: "In view of these reasons and authorities, we hold that a collecting agency, such as the defendants have been found to be, receiving and remitting a claim to their own attorney, who collects the money and fails to pay it over, is liable for his neglect."

Hoover v. Greenbaum, 61 N. Y. 305.

Defendant gave a claim against a debtor in Nebraska to a collecting agency in New York with instructions to collect it. They forwarded it to an attorney in Nebraska, who obtained a confession of judgment, issued execution and collected the money, which it remitted to the collection agency in New York, but which was not paid to the defendant. Within four months the debtor in Nebraska was adjudicated a bankrupt, and his trustee seeks to recover the payment upon the ground that the same constituted a preference and fraud under the Bankruptcy Act then in force. The court states on page 311:

"There was no relation of attorney and client or principal and agent between the Nebraska attorneys and the defendants which, by construction, can charge them with the knowledge of the affairs of Oppenheimer they had, or of any action of theirs had in fraud of the Bankrupt Law. *Bradstreet v. Everson*, 72 Penn. St. 124. In any view they were not commissioned or authorized to commit any fraud whatever which can be imputed to the defendants. No instructions were given them, and no communications had with them, and the defendants did not even know what lawyers had charge of the claim in Nebraska, and the agents employed by them in New York had no instructions to subject their clients to any of the penalties of fraud, but only to do their best to collect the debt, and it does not appear to me that if, in their zeal, any of the provisions of the Bankrupt Act has been violated, this knowledge can be imputed to the defendants within the meaning of the act."

An appeal was taken to the Supreme Court of the United States.

Hoover v. Wise, 91 U. S. 308.

Page 315: "We are of the opinion that these authorities fix the rule in the class of cases we are now considering; to-wit: that of attorneys employed, not by the creditor, but by a collection agent who undertakes the collection of the debt. They establish that such attorney is the agent of the collecting agent, and not of the creditor who employed that agent."

At another part of the opinion the court states, page 313:

"These cases show that where a bank, as a collection agency, receives a note for the purpose of collection, that its position is that of an independent contractor, and that the instruments employed by such bank in the business contemplated are its agents, and not the sub-agents of the owner of the note. It is not perceived that it can make any difference that such collection agency is composed of individuals instead of being a corporation."

Sanger v. Dun, 47 Wis. 615.

Defendants gave plaintiffs a "receipt to the effect that the account was to be transmitted by mail for collection or adjustment, to an attorney at the risk and on account of the plaintiffs—the proceeds to be paid over or accounted for to the plaintiffs when

received by the defendants from the attorney." Held defendant liable for gross negligence only.

Ryan v. Tudor, 31 Kansas 366.

In this case an owner of notes and a mortgage placed them in the hands of an agent with instructions to collect and remit the proceeds. The agent employed counsel and caused suit to be commenced, and it was held that his action was fully authorized.

Page 368: "Authority to collect implies and includes authority to use the means ordinarily employed for the purpose of accomplishing a collection, and that among these are the retaining of counsel and the institution of said suit. Indeed that is generally the only way in which collection can be compelled, and an agent whose duty it is to collect has certainly the implied power to resort to the ordinary and generally the only means of compelling collection. Authority to collect is broader and more comprehensive than authority to receive payment."

Mandel v. Mower, 55 How. Pr. 212.

Plaintiffs sued defendants, a collecting agency, for \$400 amount of note delivered by plaintiff to defendant for collection, who gave the following receipt, "Received of M. W. Mandel & Bro. for collection the following described claims, avails of which are to be promptly paid over on receipt by us."

Defendants forwarded the claim for collection to an attorney in Indiana, who collected the amount and failed to remit the proceeds to defendants.

The court states, page 243:

"The attorney in Fort Wayne being the agent of the defendants, they are liable to the plaintiffs for the proceeds of the note when received by the sub-agent. The defendants would escape liability by the terms of the receipt in which it is stated that the 'avails are to be promptly paid over on receipt by us.' I cannot think that the defendants' true relation and liability are at all affected by this language. The money was received by them in law when collected by the sub-agent. The receipt was intended as an assurance of prompt payment over and nothing more."

Davis v. Matthews, 8 S. D. 300.

"A non-resident agent authorized by his principal and charged with the exclusive management of a real estate loan business in this state including the examination of titles and foreclosure of mortgages has implied authority to direct a local sub-agent through whom all the business has been transacted, to retain a lawyer, whenever the interests of his principal demand professional attention."

See also:

Mason v. Taylor, 38 Minn. 32.

Siner v. Stearne, 155 Pa. St. 62.

Page 64: "The defendants having undertaken the collection of plaintiffs' claims, are responsible for the neglect of the attorney employed by them by which the claims were lost."

Harrison Machine Works v. Coquillard, 26 Ill. App. 513.

Where the payee of a promissory note has placed it for collection in the hands of an agent, who has in turn placed it in the hands of a third person, who has made the collection and misapplied the proceeds, an action by the payee for money had and received lies against such third person.

Wilson v. Smith, 3 Howard (U. S.) 763.

In this case a bill was given for collection to an agent who sent it for collection to an attorney in another city, where the drawer resided. He collected the money and applied the proceeds to an indebtedness of the forwarder to him.

Page 770: "We think the rule very clearly established that whenever by express agreement between the parties a sub-agent is to be employed by the agent to receive money for the principal, or where an authority to do so may fairly be implied from the usual course of trade, or the nature of the transaction the principal may treat the sub-agent as his agent, and when he has received the money may recover it in an action for money had and received."

Strong v. West, 110 Ga. 382.

Where one holding a promissory note against another, with a claim on certain land as security sends the note and papers evidencing his claim to a collection agency, a power is created in the latter to procure the services of an attorney if necessary to collect the note and enforce the security.

Dale v. Hepburn, 11 Misc. 286.

This action is brought by plaintiff to recover for services rendered defendant as attorney for her in an action brought in Illinois. The defendant had a draft which it placed with a collection agency in New York City for collection. It retained plaintiff to take proceedings in Chicago to collect the claim for them and remit proceeds to them, after deducting his fees, the amount of which was specified in a circular letter accompanying the retainer. Defendant's agent, who placed the claim with the collection agency, in the course of the dealings knew that the plaintiff was the attorney of record in the action commenced in the state of Illinois.

The court at page 288 says:

"Under such a state of facts it is clear that the plaintiff was acting on a retainer from Hubbell & Co. and not from the defendant; and the question of her liability depends upon whether or not Hubbell & Co. were merely her agents in the transaction, or were themselves principals, and we think there can be no doubt but that they were principals. Under the name of an agency they were conducting a collecting business on their own account; they would be responsible to the defendant for the collection of the money, not as agent, but as principal. So they are responsible to the plaintiff for any services rendered by him to them; they undertook to collect the note and not merely to employ agents for the defendant to do so. * * *

"In this case the evidence is clear that there was no understanding or agreement on the part of the defendant about the employment of the plaintiff for or on her account or as her attorney, but in our judgment is conclusive that he was employed by the Hubbell agency in the course of their business as a collecting agency.

"We think that if banks into whose care negotiable instruments are placed for collection are regarded as principals, so much the more should a collecting agency whose sole business it is to collect

Two points are to be observed from these citations. First, that there is an implied authority to the collection agency, to send claims placed in its hands be so regarded."

the claim to an attorney; and second, that the collection agency has by direct authority the right to send such claim to the attorney. It has never been doubted that both of such rights exist, and the language of all decisions is that it is a proper thing to be done in the performance of the duty of the collection agency, which is to collect the claim. It has never been claimed that this is in any way fostering litigation, or violating the statute of common law.

It is also clear from the decisions, that it is both the business and the duty of a collection agency to place a claim in the hands of an attorney if necessary to subserve the interests of the creditor who places the claim with it for collection. It necessarily follows that it is just as proper for an attorney to receive and accept such business. There is nothing in any of the statutes of the state of New York, nor of any other state, that by any construction can be held to prevent this.

Neither is there anything in the 27th or 28th Canons of Ethics which may be said to intend such prohibition. It cannot be said that an attorney who may receive claims from a collection agency for the purpose of bringing suit or otherwise is doing anything to breed litigation.

Canons 27 and 28 of the American Bar Association reads as follows:

"27. Advertising, Direct or Indirect. The most worthy and effective advertisement possible, even for a young lawyer, and especially with his brother lawyers, is the establishment of a well-merited reputation for professional capacity and fidelity to trust. This cannot be forced, and must be the outcome of character and conduct. The publication or circulation of ordinary simple business cards, being a matter of personal taste or local custom, sometimes of convenience, is not per se improper. But solicitation of business by circulars or advertisements, or by personal communications or interviews, not warranted by personal relations, is unprofessional. It is equally unprofessional to procure business by indirection through touters of any kind, whether allied real estate firms or trust companies advertising to secure the drawing of deeds or will or offering retainers in exchange for executorships or trusteeships to be influenced by the lawyer. Indirect advertisement for business by furnishing or inspiring newspaper comments concerning causes in which the lawyer has been or is engaged, or concerning the manner of their conduct, the magnitude of the interests involved, the importance of the lawyers positions, and all other like self-laudation, defy the traditions and lower the tone of our high calling and are intolerable.

"28. Stirring Up Litigation Directly or Through Agents. It is unprofessional for a lawyer to volunteer advice to bring law suits, except in rare cases where ties of blood, relationship or trust makes it his duty to do so. Stirring up strife and litigation is not only unprofessional, but it is indictable at common law. It is disreputable to hunt up defects in titles or other causes of action and to inform thereof in order to be employed to bring suit, or to breed litigation by seeking out those with claims for personal injuries or those having any other grounds of action in order to secure them as clients, or to employ agents or runners for like

purposes, or to pay or reward, directly or indirectly, to those who bring or influence the bringing of such cases to his office, or to remunerate policemen, court or prison officials, physicians, hospital attaches or others who may succeed, under the guise of giving disinterested friendly advice, in influencing the criminal, the ignorant or others, to seek his professional services. A duty to the public and to the profession devolves upon every member of the Bar having knowledge of such practices upon the part of any practitioner, immediately to inform thereof to the end that the offender may be disbarred."

The various state statutes and the aforesaid Canons of Ethics are aimed at attorneys who employ people to obtain law business for them. With the collection agencies the contrary is the case. Business comes to the collection agency from the creditor, who seeks to have a just claim collected; and if it becomes necessary to collect it by means of a law suit, or through an attorney in any other manner, the business is not invoked for the purpose of enabling an attorney to make a fee, nor to breed litigation, but for the entirely legitimate purpose of collecting a just demand. We cannot see any distinction between a creditor placing his claim with an attorney who will have to forward it to another attorney, or placing with a person not an attorney, to forward to an attorney.

We may therefore conclude that the business of a collection agency of obtaining claims and thereafter sending them to attorneys for suit is perfectly legitimate and proper, and is not in violation of the statute of any state, nor of any Canon of Ethics nor inconsistent in any way with the highest professional conduct.

It will be noted from the above citations that an attorney receiving a claim from a collection agency is responsible directly to it and not to the creditor, who will be the plaintiff in the suit to be brought, unless the conditions under which the claim has been received and forwarded to the attorney, make the attorney directly responsible to the creditor.

Lately there has been some discussion as to the relation between the attorney and client, and it is said that the relation should be direct, and that an attorney representing a party to a litigation should have direct dealings with him. Thus Charles A. Boston, Esq., in a paper read before the Commercial Law League at Cape May in July, 1913, says (referring to the attorney):

"Just as his relation with the court is personal, so his relation with the client, which is fiduciary, should also be personal. The fiduciary obligation dictates that professional service should be fairly compensated at not more than its reasonable value, and that it should be arranged directly between lawyer and client, and not by a third person, owing no obligation to the courts, not amenable to their summary process, not subject to their direct control for the purpose of supervising the arrangement, having a wholly selfish interest in the situation, not necessarily possessing a good moral character, not necessarily learned in the law, not necessarily cognizant of the essential principles of legal ethics and not under the obligations of an oath. The relation seems to be incongruous, and unequal; one of the associates bound by consideration of the strictest propriety, the other bound only by his individual sense of

rectitude or self-interest; the one under restraint imposed from without, the other only under such restraint as he imposes on himself. The difficulty of discipline is multiplied, if one is amenable and the other not."

The Court of Appeals in the *Matter of Co-Operative Law Company*, 198 N. Y. 479, states at page 483:

"The relation of attorney and client is that of master and servant in a limited and dignified sense, and it involves the highest trust and confidence. It cannot be delegated without consent and it cannot exist between an attorney employed by a corporation to practice law for it, and a client of the corporation, for he would be subject to the directions of the corporation and not to the directions of the client. There would be neither contract nor privity between him and the client, and he would not owe even the duty of counsel to the actual litigant. The corporation would control the litigation, the money earned would belong to the corporation and the attorney would be responsible to the corporation only. His master would not be the client, but the corporation, conducted it may be wholly by laymen, organized simply to make money and not to aid in the administration of justice, which is the highest function of an attorney and counselor at law. The corporation might not have a lawyer among its stockholders, directors or officers. Its members might be without character, learning or standing. There would be no remedy by attachment or disbarment to protect the public from imposition or fraud, no stimulus to good conduct from the traditions of an ancient and honorable profession, and no guide except the sordid purpose to earn money for stockholders. The bar, which is an institution of the highest usefulness and standing, would be degraded if even its humblest member became subject to the orders of a money-making corporation engaged, not in conducting litigation for itself, but in the business of conducting litigation for others. The degradation of the bar is an injury to the state."

The above criticism would not apply if the business was conducted in such a way that the attorney was made directly responsible to the creditor and the creditor directly responsible to the attorney.

So therefore it has been suggested that a collection agency receiving a claim should accept it upon the condition that if the same is to be sent to an attorney for suit or otherwise, it should do so as the agent of the creditor, that the attorney employed should be directly responsible to him and not to the collection agency; and in order to give the creditor as much protection as possible, the collection agency should guarantee to the creditor the proper performance of his duties by the attorney, and the remittance of the moneys collected, to the same extent that the collection agency would be liable to the creditor under the decisions if he had sent the claim to an attorney without direct authority to do so. In such event, the collection agency would occupy the same relation to the creditor as if it were a person in his employ, such as his bookkeeper or credit-man. The term "personal as used by Mr. Boston in the question above does not necessarily mean "in person." In law the relation between two parties may be a personal relation even where one acts through a duly authorized representative. If an attorney acts for a client in this way

he acts wholly without the spirit and language of the citation from the Court of Appeals above set forth. There being no question but that a man may act through his duly authorized agent, we can see no distinction between the agent being a bookkeeper or credit-man in the receipt of a weekly salary from the credit, and a collection agency which is to be paid an agreed compensation for the services it renders.

The main criticism that has been made against collection agencies is, that the course of business is such that the attorney divides his compensation with the collection agency. This, however, is not so, although the form of forwarding the business would in certain instances lead one to suppose that it was.

It being established that the collecting agency is conducting a perfectly legitimate business, and that it may send claims to attorneys, who may receive claims from it without in any way violating any statute of the soundest professional ethics, naturally it is entitled to be paid for the services it renders.

It is axiomatic that a person rendering services of any kind, unless he agrees to perform them gratuitously, is entitled to be paid therefor.

It is perfectly clear that the services rendered by the collection agency are entirely separate and distinct from those rendered by the attorney. The necessity for such services arise out of the same demands and occasions, after the claim is sent to an attorney, as existed for placing such claim originally in the hands of the collection agency.

It is conceivable that the need for the collector arose contemporaneously with the conducting of a business on credit. A person doing a large business and dealing with many people naturally employed some person to call and collect his claims when they became due. But where a merchant dealt with many people at a distance, he could not afford to employ a person to call on his debtors. The more extensive and wide reaching his business and the greater the territory it covered the more impossible it was for him to attend to his own collections. The extension of the United States and the fact that merchants, especially in New York, sold goods to people in all parts of this vast country, made it a necessity that some proper method should be employed by merchants for the collection of their accounts. The man therefore who started in by collecting accounts for his own house by personal solicitation found that other means had to be employed to reach the customers at distant points. Whom to employ he might not know. While he might know people in ten or a dozen or perhaps fifty different places who were responsible, yet claims might arise in many hundreds of different places. He could not make the necessary investigations at all of these places, because the claims he would receive from his own concern were so few that he could not afford to do so. But if he should receive the claims of different concerns, he would be enabled to make the proper investigation of representatives at all cities and towns, and by reason of the large quantity of business he could forward to such representative, he would get better service. In order to make that pay, and it must be concluded that no business will be conducted unless it does pay, it was necessary for him to obtain as many people as possible to place their accounts in his hands.

To do that he had to solicit many merchants to place their accounts in his hands, which it is thought may not be a proper thing for an attorney to do.

Thus the need for the collection agency became apparent as the business of the country increased, and the development of the collection business has been coextensive with the development of the country. So that today the collection business is an extraordinarily large and important one, employing many people in connection with the obtaining, forwarding and receiving claims, with the guaranteeing of the fidelity and honesty of the agents and attorneys selected by collection agencies, and with the printing of publications, giving lists of selected attorneys and agents. In the present classified telephone directory of the boroughs of Manhattan and Bronx, under the heading of "Collection Agencies," will be found the names of one hundred and nineteen different concerns apparently engaged in that business.

It may be claimed that a business house can attend to its own collections and perform as well for itself in its own establishment all the services which are performed by the collection agency. The answer is, while many schemes have been devised to enable that to be done, yet it has proven to be very unsatisfactory, for the merchant cannot keep proper track of this business, and cannot afford the proper system for doing so. The result is that he sends his claims to the collection agency and is satisfied to pay the 10 per cent or other charge, in order not to have the bother and annoyance of keeping track of his claims in his own establishment, and of dealing with persons entirely unknown to him. He prefers dealing with the people he knows in his home town.

The collection agency not only attempts to collect the claim in the first instance, but if it is not collected, to select for the creditor a responsible and approved attorney, whose honesty and fidelity is guaranteed, so that in case the claim is collected by the attorney the client will be sure to get his money. It keeps track of the conduct of the law suit or other matter in connection with the claim, writes frequently to the attorney and as frequently to the client, and is continually insistent upon the attorney forcing the claim. It relieves the creditor of the work of looking after the claim, which cannot be properly attended to by his employes. For these services the collection agency is undoubtedly entitled to be paid.

There is no question but that if the claim is collected without the assistance and service of an attorney the collection agency is entitled to charge such sum as it may, by agreement, have fixed upon with the creditor. But where a claim is sent to an attorney the question arises, how is the collection agency to be paid? It is still necessary for it to render services, and it certainly is entitled to be paid for such services.

To our mind the criticism which has been made about alleged division of fees is purely the result of the unfortunate method used by some collection agencies with respect to their compensation. It never seems to have been brought to anybody's attention that there was anything illegal, immoral or unethical in the collection agency stating to the attorney, as we understand is sometimes done, that he shall pay to the agency one-third of the fees which he receives. On the other hand, it never was considered

that an attorney gave part of his fees to the collection agency as a gratuity or pay or consideration for having sent the claim to him. The amount the creditor is to pay has to be fixed in advance as far as it can be with him, for as all lawyers know a client will, as a general rule, wish to know what it will cost him. So where a claim sent to a collection agency has to be forwarded to an attorney, the creditor would wish to know what the charge would be, not only of the attorney, but also of the collection agency. The creditor is not particularly interested to know how much each will get, but rather what is to be the total charge to him. The attorney never expected nor was it ever intended that he should receive all that the creditor pays for his services. So the custom has grown that the attorney shall receive two-thirds of the entire amount for his services, and the collection agency one-third for the services it performs.

If therefore the agreement under which the claim is forwarded shall state nothing about division of fees, but shall fix the attorney's charges at certain percentages of the amount collected, and certain charges if suit becomes necessary, all of which shall belong to the attorney, and the agency shall charge the creditor in addition a certain percentage or fixed charge for the separate services it performs, is there anything in such a method of doing business which is contrary to statute or offends any canon of ethics, or which, so far as the attorney is concerned, may be said to offend the ethics of the profession?

THE LAWYER, THE AGENCY AND THE LAW LIST.

The functions of the lawyer, the agency, and the law list in the commercial law and collection world are not distinctly defined as they should be.

In practice their functions seem to overlap. The agency is inclined to invade the field of the lawyer. The law list is inclined to invade the field of the agency. The lawyer is inclined to invade the field of the agency.

There can never be an entirely satisfactory condition until the functions of these three elements in the commercial law and collection world are accurately defined, and each element is made to occupy its own field.

The important question in connection with the relationship between the lawyer and agency is: How far can the agency go in the collection of commercial claims and in litigation connection therewith, without

infringing upon the rights of the lawyer with reference to such business?

There are two ways of looking at the matter. There are some who contend that the agency is entitled to take any steps whatever to make collections, short of actual court proceedings. There are others who say that the real function of the agency ends with the gathering up of the business and distributing it to the receiving attorneys.

In practice, the agencies adopt almost universally the former theory. There are few agencies so liberal as to content themselves with the gathering up of business from clients and the distributing of it to receiving attorneys without first exhausting every means of collecting direct.

It is claimed by agency men that no agency could succeed financially were it to attempt to carry on the business merely between clients and attorneys. I do not know that this has ever been fairly tried. I do not know that it ever will be tried, because the temptation ever present with the agency to make its collections direct where possible is so great that few, if any, could long withstand it.

In their efforts to make collections direct, agencies have resorted to every conceivable means of keeping away from the lawyer. They have not been slow to use the lawyer where they have been compelled to do so, either from having exhausted every possible means of collecting without him, or from having run against the necessity of entering the courts. These means of collecting have gone so far as to make use of the lawyer while at the same time refusing to remunerate him, as in the case where the agency makes draft on the debtor and notifies the bank, as well as the debtor, that in case the draft is not paid it is to be handed to the attorney (naming him). In this case, the agency is attempting to make the collection through a bank direct on the

debtor, using the attorney's name, reputation, and influence in the community to compel the debtor to pay. This sort of proceeding is blameworthy in the extreme. It has been declared by the Commercial Law League of America to be unfair. It is more than unfair—it is a shameless disregard of decency.

The use of the attorney's name in this way is not confined to third-rate agencies and to third-rate business houses; but it has been practiced—and is practiced today—by some of the best known agencies in the country. Forms of draft are being sold by so-called reputable agencies and law list publishers to merchants and manufacturers, which forms provide for the naming of the attorney and the advising of the debtor of the attorney's name.

The effect of such a draft and letters as use the attorney's name without authority is often to bring about the payment of the claim at the bank, or the payment by a direct remittance. The effect upon the attorney named, who is usually unconscious of the fact that his name is being used as a scarecrow to get the money, always is to his disadvantage. The debtor, receiving information that the claim will be placed with a certain attorney in case it is not paid, fails to realize that the attorney may not know of the arrangement. He connects the attorney in some way with the demand. He feels—or is likely to feel—a resentment and he carries in his mind the idea that in some way the attorney has been employed against him. The draft may have gone to one of the attorney's own clients, in which case the effect can be imagined.

In one case, a draft was made on a little child who had bought some article by mail which it was to sell and remit for later. The child, not knowing the nature of the business transaction, failed to account for the goods. A draft was made on the child with the advice that if the draft was not paid a certain attorney (who

was named) would take the matter into court; and something more than a hint was given that there was liable to be a criminal action brought.

It happened that this attorney was a neighbor of the family to which the child belonged. The letter was, of course, shown to the parents and the parents showed it to others in the neighborhood. All who read the letter jumped to the conclusion that in some way or other the child was being persecuted by their lawyer neighbor, while he, of course, was absolutely ignorant of the situation. Not for months afterward did he learn the cause of strange conduct toward him on the part of his theretofore friendly neighbors. When he came to understand the situation, his wrath can be better imagined than described. This is probably an unusual and exceptional instance of where harm was done. In no case, however, can a draft be drawn on a debtor and an attorney named in it without the debtor feeling more or less resentment against the lawyer.

That the lawyer should receive no compensation for this loss to him of the friendly regard of his neighbors and fellow citizens is unthinkable.

It has become quite the fashion of late for agencies to send their claims to banks, postmasters, justices of the peace, county officials, offering a small remuneration amounting often to not over one or two per cent for the prompt collection of them. A bank receiving the draft in the ordinary form usually receives from fifteen to fifty cents by way of collection charges. The agency sees where, by the offer of a dollar or two dollars, it may obtain unusual service on the part of the bank and escape the necessity of sending the business to attorneys on the usual attorney fee schedule.

There are those who contend that this is not going beyond the limit of what an agency may fairly do. It is claimed that the agency may do anything that is lawful and that does not injure directly another, in the

collection of claims, so long as it does not try to enter the courts. I do not find myself able to agree with this position.

I believe that the agency and the lawyer are in the position of partners in this line of endeavor and that each should give to the other a fair show. When the agency manager realizes, as he must, that the attorney is helpless to solicit business and that as a rule the lawyer is true to his codes of ethics, he will say that having the entire field of soliciting left to himself without hindrance on the part of the professional man he should be fair to the latter in giving to him a fair share of the proceeds of the business and not attempt to use classes of men in the collection of claims whose business never was and never can be in that line.

I cannot see any valid objection to the agency endeavoring to make collections direct by the direct-demand letter and by the bank-draft, and by the direct personal visit of a collector. But I do believe that steps should be taken to blacklist all forwarders and agencies that go beyond these few straightforward methods of direct collecting and adopt tricks and subterfuges, contemptible means, generally, of cheating the lawyer of what is logically and by custom long established, his own.

I believe there is a fair and legitimate field for the collection agency; I believe that it does a real service, both to the mercantile world and to the professional world. In view of the fact that the lawyer may not solicit this sort of business, the agency acts to bring out of their hiding places thousands upon thousands of claims dead and alive that otherwise would never see the light of day.

The draft system itself gets into the hands of agencies and attorneys many thousands of claims annually that never would be placed in the first instance by the creditman or the bookkeeper. Agencies, by their myri-

ads of solicitors constantly knocking at the doors of merchants and manufacturers, get into circulation a tremendous amount of business that otherwise would lie dormant. Attorneys get a share of this.

The agency system also tends to centralize the business, so that methods of handling it become standardized and attorneys are able to deal with fewer forwarders and upon terms and conditions fairly well settled; whereas, if every separate claim received came from a separate source, correspondence would be multiplied and varieties of conditions would have to be met because the dealings would be with many individuals with varying methods and varying moods and dispositions.

Notwithstanding the advantages to lawyer and merchant of the agency system, it has been of late losing caste with the profession because of the fact that the agency is, so far as possible, ignoring the lawyer and seeking every way of doing without his services. The lawyer is also becoming disgruntled with the exactions on him as to how he shall conduct his business and as to the fees that he shall charge.

I can see but two remedies for this state of affairs. One, to permit the lawyer to solicit business as a competitor of the layman; the other, to blacklist the unfair agency and make it impossible for it to get lawyers' services on any terms. The former method of defense, I believe to be impossible in the present state of the professional mind, as lawyers, generally, are loyal to their ethical codes. The latter, I believe, to be practicable, and I expect to see it adopted. The blacklisting of such agencies by professional men, to the extent that they will be unwilling to serve them, will be of some advantage, but the day will come when the lawyers will unite in a campaign of education of the mercantile and manufacturing world as to the unholy methods of such agencies and thus dry up their business at its source.

There is a kind of agency that the lawyers of the country should by all means endeavor to exterminate, that is the agency which publishes directly or indirectly a so-called "law list" charging lawyers for representation therein, while at the same time soliciting the business of merchants and moving heaven and earth to keep that business out of the hands of the lawyers so representing them. In other words, on its law list side this agency goes to the lawyer and says: "Pay us so much per annum and we will obtain for you the business of the subscribers to our agency." On the agency side it goes to the merchant and says: "Give us your business and, through the direct-demand draft, or direct-demand letter or through our personal solicitors, or through forms and methods that we will put into the hands of your bookkeeper, we will enable you to collect your outstanding claims at a nominal figure and keep you out of the clutches of the lawyer." There are many such agencies in existence. They are playing a double game, and should be branded with the sign of their infamy.

When I was in New York recently an agency man complained to me that lawyers throughout the country came into New York City and sought to obtain business direct from merchants there. His complaint, of course, was that lawyers of the country were invading his territory and that they had no right to do so. I called his attention to the fact that solicitors from New York agency offices were flooding the country towns and cities of the East and South, going to the very clients of these lawyers and endeavoring by every possible artifice to take away their business. The agency man in question expressed surprise; but I was fortunate in having with me at the time an agency manager who backed up my statement by the broad confession that he himself, at that very time, had a dozen men in the New England States camping on the trail of every possible client they could find.

Imagine, if you can, how galling it must be to the country lawyer to know that by his code of ethics he cannot ask even his local merchants for business and yet an agency solicitor from a distant city may come under his very nose and solicit away from him his own client. And it is thought to be fair! Is it any wonder that occasionally a lawyer comes dangerously near breaking ethical rules to save his bacon?

I am almost inclined to say at times that for being unethical he is not to blame inasmuch as self-defense is the first law of nature. I think if a solicitor came into my town and endeavored to solicit the business of my client, I would come pretty near cracking a few of the commandments myself to protect my own interests.

So general has become this promiscuous soliciting of clients by agencies that an agency so far to the south and west as Nashville, Tenn., boasts to me that it goes to Cleveland and even to Philadelphia and New York and solicits successfully business for its territory. Yet, if a Cleveland or a Philadelphia lawyer should go to Nashville and attempt to obtain the business of the Nashville clients of this agency, there would go up a mighty cry of righteous indignation that a lawyer should so far demean himself as to solicit business—and that, too, away from home.

It is in the face of such conditions as these that the receiving lawyer is asked to contribute one-third of his fees to the agency and do prompt and continuous service.

I believe the agency should circumscribe its efforts, both in soliciting and collecting, to reasonable limits; that it should have due regard for the rights of the other member of the partnership, namely, the lawyer, in seeing that he is given a fair proportion of the work, and not looked upon as a necessary evil to be employed only in cases of actual necessity, and damned at other times.

I believe that the Commercial Law League of America should maintain a "white list" of decent agencies; that is, of forwarders who are recognized as giving to the lawyers a fair deal. There are some such, and their clientage is greatly to be desired; they should be honored and respected, and their work should be given especial attention on the part of receivers. It is not all of the agencies that suck the lemon dry before throwing it to the lawyer. Those who do not should be marked conspicuously for honor and support on the part of the profession. Those who do should be made to suffer the results of their selfishness and greed.

The function of the law list is a simple one, that of furnishing an introduction of the attorney to the client. There is nothing more to the publishing of a law list than this. A law list is not a collection agency nor a reporting agency; its business is not to gather up mercantile claims for its attorney representatives; it is in this sort of work that it is going beyond its legitimate function. The moment that it does so, it opens the door to all kinds of fraud and iniquity.

In charging the lawyer for representation, the law list cannot charge more than the publicity is reasonably worth as measured by the kind and character of the circulation. This is the true measure of advertising value. When the law list seeks to go into the market and get business for its representatives and bases its charges on the amount of such business that it has obtained or expects to obtain, it is simply inviting the lawyer to buy business. It is saying to him: We can get for you \$500 worth of business a year therefore we want \$100 from you. It says to another lawyer: We can get \$200 worth for you and we want \$25 for representation. The charge is based entirely on the amount of business the publisher expects—and therefore promises—to obtain. The lawyer is buying business, and there is no more unethical practice under the sun.

Once the law lists start in to get business for their representatives by means of solicitors and otherwise, they are entering a competitive field where the possibility of fraud and trickery is great. Competition among the law lists in the getting of business to be forwarded over their lists has in times past become so great that some of these lists, and some of the best of them, have gone into the market and actually purchased the business of forwarders for a cash or other consideration. The proposition is unthinkable, and yet otherwise good men have engaged in it. The logic of the whole thing is simply this: The publisher pays the forwarder for his business; the publisher is not in business for charity and he must charge what he pays to somebody, and that somebody is the lawyer. The lawyer is therefore paying the forwarder for his business; it is a transaction of bargain and sale of business.

This buying of business has been carried on under many disguises. A publisher wanting the business of a forwarder and not wanting to pay him outright for it will give him a representation in his list in possibly a preferred position, because of the amount of the business this forwarder can send over the list. Again, some forwarder may have suffered a loss on account of the defalcation of an attorney; the list publisher comes along and with a bigness of heart that is marvelous says: "I will take care of that defalcation myself if you will agree to send your business over my list for a year or more." The ways are various and are well known to most of us.

The meaning of it all is simply that the law list in its effort to "beat the other fellow" and to make a showing with its attorney representatives and give a reason for large representation prices, must at all hazards get the business; no matter how, it must be gotten.

I am glad to say that the era of business-buying on the part of law lists is passing away. It was of com-

paratively short duration; it soon became notorious and could not by any possibility remain a fixed practice. The moment it became generally known to the attorneys throughout the country, who were beginning to complain of high prices for representation, an end of it had to come. The Commercial Law League of America took the matter up promptly on learning of the conditions with the result that a resolution was passed at a recent convention condemning it. The Conference of Law List Publishers themselves took a stand which eventually will put an end to the practice, because we believe that this conference (which to a greater or less extent controls the action of the best law list publishers) means business. The smaller and weaker lists have never engaged to any extent in the practice; first, because they did not have the money with which to do it and second because without a very considerable growth of their business, they could not make a showing with the attorneys that was necessary to obtain the high rates for representation.

I believe that law list publishers should cut out soliciting business entirely. It is not their function, as I have stated. Their whole purpose, their whole reason for being, as I understand it, is to furnish to the prospective client the name of a prospective attorney. In other words, simply make it possible for the business man or lawyer who has a claim in a distant town or city to obtain the name of a reliable man to handle it. In other words, their whole *raison d'être* is as an "introducer." When they have accomplished that work, their function is at an end.

When the law list publisher arrives at this conclusion as to his work, he will be enabled to publish his book and circulate it at a less cost than at present with his expensive branch offices and soliciting forces, and he will be enabled to sell his representation to lawyers at a price that they can afford to pay, and at the same time enjoy some little profit from it.

There is nothing more evident in the commercial law field today than is the dissatisfaction of lawyers with the ruling prices for representation in the leading directories. I have hinted at a cause of it. The cause is going to be removed and for that reason I think the prices should be reduced—and I believe they will be reduced. I am sure they must be if the law lists are going to retain the good-will of the better class of commercial lawyers.

I am sure that hundreds of these commercial lawyers who are paying what they consider to be exorbitant rates would drop their representation readily did they not feel that by so doing others might have the opportunity of taking their places and thus taking away from them valued connections already established. The price they pay is too high according to their notion and yet they feel they cannot drop out. The two positions are not incompatible. Many a man stays in a list because he feels that he has to; and yet he has a distinct feeling along with this that he is not being justly treated in the matter of charges. I know this to be a fact because for several years I have been the center of a tremendous amount of complaint along this line.

One of the things that is most potent in driving good men out of the commercial law practice is the experience they have had with the law lists; and by the "law lists" as I speak of them here, I refer not to the better class of law lists but to the general run of them.

The law list, aside from a possible fifteen or twenty of the leaders, is a fraud in the publishing world. There are nearly a hundred law lists, big and little. There are not more than a score that have a right to exist. The business of the others is to get all they can from the lawyer and give as little as possible. One of them seldom dies because it is true that a "fool is born every minute." New men are constantly coming into the field, many of them with more money than brains.

Martindale's Law Directory is supposed to give a complete list of the lawyers of the country. It is a comparatively easy thing for the publishers of a snide directory, by the use of good business English (and often that is not necessary) to circularize the young men entering the field of the law as noted in this directory. A very small capital will start a directory and a small capital can do a lot of harm in that it raises hope in hundreds of minds only to disappoint.

I recall that in my first year in the practice I paid \$50 to a certain directory that is still in existence for the representation of the city of St. Paul. I recall that I expected very much and very remunerative business from that \$50 investment. The year passed without even a postage stamp in return. My idea of the law list and law directory proposition after that may be better imagined than described. I was repeatedly solicited from that time on, but never again fell a victim.

One of the reasons why it is so hard to kill these worthless law lists is that no matter how great a failure one man may make of it, he can always find some other fellow ambitious to try his hand at it and ready to pay for the dead horse.

The Commercial Law League of America, through its committee on lists and agencies and through its information bureau conducted by its Secretary, is supposed to give to the lawyers in the League information as to the comparative value of these lists. Notwithstanding the fact that for years the League has been giving this information, yet members of the League are constantly pouring money into these rat holes. There is always the hope that springs eternal in the breast that the lightning will strike in the most unlikely places. Men are so hungry for business in commercial lines nowadays that they grab at straws. If the members of the Commercial Law League of America are so slow to take the advice of their organization, what can we

say of the large number of members of the profession who are not in the League and who are daily and hourly solicited? They fall prey to these carrions of the profession by the thousands and keep them alive, and what is more they read themselves out of the commercial law branch of the profession. They drop out disgusted with commercial law; whereas, the real reason for their disgust should be with themselves in view of their lack of judgment.

The law list properly conducted is one of the most valuable instruments of commerce; it is something that business men and professional men alike find indispensable. Lawyers should support them, and so should business men. But a line of distinction should be drawn between those that are well and honorably conducted and those that are not, and the latter class should be killed off without mercy.

Some day this is going to be done through the action of the Commercial Law League of America. It has heretofore treated the subject academically. Some day it is going to treat it practically.

My idea of the trinity—the law list, the agency and the lawyer—is that of a relationship of mutual confidence and co-operation, without which there will always be confusion and unrest and dissatisfaction. With it, the best in the three will flourish, while the worst will perish as it deserves.

FEES.

Lawyers are charged with being poor business men. The charge is not confined to lawyers, however, but it is made of all professional men. I am prepared to admit, as being one of the profession, that the charge is generally true of lawyers so far as to the handling of their own affairs. It is not so true where they come to handle the affairs of others.

Lawyers are poor chargers—notwithstanding the popular belief to the contrary, and they are poor collectors of their own bills.

It is true of successful men in every line of endeavor, if we are to measure success by something other than financial returns, that they are more interested in their work than they are in their compensation. Geniuses usually die poor. Many a successful physician of world-wide fame has come down to old age with barely sufficient to bury him. Many a lawyer whose name is on the records of the highest courts and whose reputation extends throughout a wide territory has failed to achieve even a competency. The successful commercial lawyer, the man who is known throughout the country as successful in the line of practice known as the commercial law practice, is no exception to the rule. Usually he is more interested in seeing his business succeed as a business than he is in attaining wealth. The result is often disastrous; but it is in the nature of the case, and probably cannot be avoided.

A large proportion of the average commercial lawyer's work is done without compensation. Occasionally a physician does charity work; but a lawyer is doing work gratis every workday of the calendar year. There is no other line of work, professional or otherwise, that adopts for its maxim, or as a working principle, "no cure, no pay." Occasionally a physician may agree to either cure or not charge; but this is the rule in the commercial law and collection business. There is no

other business, professional or lay, that presents this spectacle; not even will the preacher stand for it.

One does not have to go far to find the reason for this anomalous condition in the practice of the law. A part of the commercial lawyer's work is such work as is undertaken in large measure by laymen—men who are not technically skilled, not educated, not prepared by long study, not licensed to do their work. They are often unscrupulous men and, still more often, men who have been unsuccessful in other lines and who find an easy opportunity of making money by going into the business of collecting mercantile claims.

The collection agency, whatever may be said in its favor, and there is much to be said, is the direct cause of a condition existing in the commercial law field that does not exist in any other field of professional work. The lawyer must meet the competition of the layman in this field, and the layman is bound by no rules and often by no conscience in his methods and practices. The lawyer, to keep this line of business, has been compelled to meet lay competition, and hence the practice of "no collection—no charge."

The lawyer with the nerve to make a charge for his work on commercial matters, whether successful or not, would soon find himself out of work. The contingent fee system has got such a hold on the business that it is impossible to shake it. The lawyer is compelled to adopt it or drop out of the commercial business entirely.

The situation is in a measure disgraceful. It is contrary to the ideals of the profession and contrary to its ethics. One of the basic rules of professional ethics for all time has been that the lawyer should not speculate in his clients' interests, or in law suits, or in contests of any sort. To take business on a contingent basis is practically to gamble on the client's case. This has been lost sight of entirely and now the professional

world accepts the contingent fee system with apparent complacency. We find not only that a very large proportion of commercial lawyers are willing to accept business on this basis, but are ready to risk their professional reputation by soliciting business on that basis.

The enormity of the crime of the contingent fee is increased when we realize that lawyers are paying money to various institutions that hold forth a promise to direct this contingent business their way and are making commercial reports practically without compensation for the privilege (if it may be so called) of some day receiving on this same contingent basis somebody's business favors.

The whole system has dragged the lawyer down to the position of a mendicant. Some day he is going to wake up to a realization that the layman in the commercial law and collection business is his pacemaker, and is making his rules and regulations and fees to suit himself, and that he himself has nothing to do whatever with the fixing of his status.

The system of "no collection—no charge" which lies at the base of the collection business is insidiously working its way into other departments of the lawyers' work. There is even a confusion of ideas among some clients as to whether or not the contingent fee applies also to suits on mercantile matters. We find forwarding blanks accompanying claims often providing that whether or not the suit is won, the fee is to be contingent. We find lawyers so hungry for business, or so careless as to the terms on which they take it, that they are accepting litigation on such terms.

Even commercial lawyers in the city of Chicago are accepting claims for suit on practically a contingent basis, inasmuch as the small charge, made by way of "advanced costs" and which admittedly is made with a view to retaining a paltry dollar or two in case

of failure to make the money on the judgment, is all that the attorney expects for his work.

The mercantile client, educated by the laymen to so think, is gradually coming to feel that any and all work placed by him with the lawyer should be accepted by the latter on the contingent basis, so that a straight fee, which used to be the rule in the law office, is coming to be the exception.

I insist that if the contingent fee system is to continue, it be confined strictly to mercantile claims collected without suit. No lawyer should ever permit himself to go into court with the understanding that he is to receive nothing for his work unless he succeeds. There are exceptional cases which will be readily recognized but even these cases should not be accepted except with the knowledge and approval of the court. The lawyer should hold his professional service in court as something beyond the reach of lay influence. The layman has spoiled the lawyer's collection field by his introduction of the contingent fee, but let it be understood that his hands cannot touch the lawyer's special work for which he has been especially licensed by the State.

Where two classes of workmen compete, the tendency is to finally fix the charges at the rates adopted by the poorer workmen. So, when the skilled attorney, prepared as I have said by study and practice and with a reputation in his community and with the prestige of being an officer of the court, comes into competition with the unskilled and often unscrupulous layman, the tendency is to fix the fees not at what the lawyer should charge or what would be reasonable compensation to him but what the layman charges.

The layman in the commercial law and collection field has always been a rate-cutter. It is he that has borne down on collection rates until they have reached such a point that by the admission of everyone, layman as well as lawyer, they have become impossible.

Not only is the tendency to arrive finally at rates that are satisfactory only to the shyster, but the lawyer is helpless to stem this tendency for the following reasons:

The lawyer is forbidden by his code of ethics to solicit business. He cannot go to the prospective client and offer to do business. He must await the client's action. The layman, on the other hand, is not bound by any restrictions and can go to the client freely with the offer of his service and with any proposition as to fees that may suit his purpose. The client, solicited as he is by the many laymen in this field, naturally favors the agency or the layman that solicits on the most favorable terms. The result is underbidding and a consequent dropping of fee rates to meet competition.

The lawyer, as I have said, is helpless in this regard. The layman gets the business and, naturally, and inevitably, he must send this business out to the lawyer (presuming that he employs a lawyer at all in the doing of it), at the same rate on which he takes it or (as is often the case) on a still lower rate. The result is that the layman in the field of commercial law and collections fixes the rates. It is not the client, it is not the lawyer, who determines the pay, but the middleman. It is he, and he only, who is responsible for the low rates that have characterized the collection business in the last twenty-five years. Furthermore, it is the layman who is responsible for the greater and greater tendency on the part of the client-world to expect work from the lawyer for no compensation whatever, or for compensation contingent on results.

Another result of lay competition for the business is the growth of a species of fraud which consists in the laymen taking the business from the clients at the best fees that he can get and farming it out to lawyers throughout the country on a lower scale. This is coming to be a prodigious evil, and it is practiced generally. Lawyers do not know it. When they come to know it (as

they will) there will be some things doing in the commercial law world.

It is almost a universal custom nowadays for the agency, where it has obtained unusually good terms from the client, to turn about and offer the business to lawyers on a much smaller scale of fees and pocket the difference; and not only pocket the difference, but also pocket the usual one-third commission that the forwarding agency obtains from the lawyer out of his fee.

It is for some such reason as this that attorneys are getting business from agencies on the meager scale of 10 per cent on the first \$100 or \$200, with a minimum fee of \$2 or \$3, and a division of these fees. Nobody in his senses believes that these agencies obtain the business from their clients on any such scale of fees. The fact of the matter is, in ninety-nine cases out of a hundred, the agency is getting the business on 10 per cent straight for any amount, or 15, 25 or even 50 per cent, and then going to the attorney with an offer of meager compensation and a rebate in addition, in the hope that the claim may be collected and the agency may be able to pocket the difference.

The ease with which lawyers can obtain better compensation on claims sent them by forwarders shows that the forwarder is in position to give the better fees when they are demanded. If you get a claim on the basis of 10 per cent on \$100 you can be pretty sure that the forwarder is getting more money than he is offering you; and that a demand on your part for a better fee will not have to be referred to the client by the forwarder but can be complied with (and usually will be complied with) by the forwarder himself at once. The mental reservation made by the forwarder when he sends out the business to you on the low scale is that if you are fool enough to take the business on the scale given in the forwarding blank, well and good; but that

if you come back for better compensation, he will give it.

Collection agencies have succeeded in pulling down the fee rates to such a point that they have ruined their own business, and with the result that they must resort to all sorts and varieties of tricks in order to make their business self-sustaining. One of these tricks is what I have just pointed out—the obtaining of the business from the client on one scale of fees and the sending it out to attorneys on another. I consider this one of the most serious problems of the commercial business at this time, and one that the Commercial Law League of America will be called upon to handle.

An agency that does this sort of work should be blacklisted. To blacklist agencies and law firms that are doing this today, however, would be to blacklist a very large proportion of the forwarding world. But this question is going to be handled when the commercial world “gets its nerve.” The Commercial Law League of America has been slow in tackling some of the troublesome problems in the commercial law and collection business, but it is gradually getting the courage of its convictions and I am satisfied that ere long this unfair practice will be dealt with.

One of the reasons why fee rates have been lowered to the point of starvation, within the past ten or fifteen years, has been a lack of backbone—if I may so term it—on the part of the legal profession. Lawyers want commercial business. Where that business can be obtained first hand, it is an easy and remunerative business. But of late years the business has been monopolized, very largely, by middlemen who are largely of the layman class. Lawyers have seen the business getting away from them and have come to look for it at the hands of these middlemen. The fear they have of losing it has made them cowardly, and they have been taking the business from these middlemen at terms which left them no self-respect.

Some forwarding blanks used by forwarding agencies in sending business to attorneys contain restrictions that no thinking man would permit himself even to read, let alone abide by. Yet many good firms close their eyes to these indignities and accept the business. To such an extent has the abuse grown that the receiving attorneys throughout the country have become callous to many things which, if they had ever for a moment stopped to consider, would never have been permitted.

That this species of cowardice, or indifference to proprieties, exists, is evidenced to me every day in my work in connection with the rate reform movement inaugurated by the Commercial Law League of America, which movement has been largely in my charge. Every day I am receiving letters from attorneys stating that while they recognize the justice of the cause and recognize that fee rates are not satisfactory and that conditions are bad, yet they are receiving some good business from this or that agency which they cannot afford to lose and therefore they must decline to assist in bettering those conditions. Such confessions are pitiful; they practically admit that the legal profession is no longer independent. It is simply saying, "We are entitled to better treatment, but we don't dare require it for fear we may lose business." Is there any other profession or trade, from the hod-carrier up, that would permit dictation to this extent? Certainly no **profession** in the world has ever shown so little regard for its own dignity and its own rights as has the legal profession, or the commercial lawyer branch of it, in its permitting the middleman class to impose conditions and terms, most of which no self-respecting lawyer can accept and hold up his head.

The conditions were becoming so bad years ago that some brave fellow proposed at a convention of the Commercial Law League of America that the organi-

zation take steps to increase the rate of fees on commercial matters, and the rate of increase proposed was so small as now to appear ludicrous. As showing the indifference and the servile spirit of the commercial lawyers of even that day, the proposal met with fear—or at least with surprise—on the part of the convention, and no action was taken except to appoint a committee to consider the matter; and this, it was thought, would put the proposal to sleep. The fear secretly was that the agencies would retaliate and that the lawyers would lose business.

At the convention the following year this committee made a report favoring the increase and the convention failed to adopt the report; but it continued the committee. There was no claim made on the convention floor that the fee rates were high enough, but there was simply a tacit agreement among those present that it was a "delicate question and ought not to be considered."

A later convention, with more than the average amount of nerve, finally adopted a resolution recommending—mind you recommending only—a scale of fees based on 10% on the first \$300 with a minimum fee of \$3. The fees offered by clients and forwarders prior to this time were being scaled down to 10% on the first \$200 or 10% on the first \$100, with a minimum fee of \$2 and even as low as \$1.50. The convention almost "turned a fit," in increasing the rates to 10% on the first \$300 with a minimum fee of \$3. Subsequent to this convention, no effort of any consequence was made for some years to bring the Commercial Law League of America members and the commercial law world generally into harmony with this new rate. There was a spasmodic effort made from time to time and here and there an agency or a law firm adopted the recommended rates; but the same old rates continued and in fact the tendency was toward a still further drop. It was not until 1913 that a real effort was made to wake up the

commercial world to the necessity of stemming the tide of low fees.

In 1913 the Commercial Law League of America got busy and within a comparatively short time brought about the adoption of the new rates by practically all of the law lists, and many of the largest agencies and law firms. Some Bar Associations lent their support, including several state associations. The results of the campaigns, of 1913, '14, '15 and '16 were manifesting themselves and lawyers were beginning to see that it was possible for them to have some say in fixing their own fees. The outcome was that at its convention at Saratoga Springs in 1917 the League further increased fee rates by adopting a scale based on 15% on the first \$300 with a minimum fee of \$5. This jump would have been absolutely unthinkable five years before. The convention at Saratoga Springs went at the matter "hot footed" and treated it as strong men treat a matter of vital concern, adopting the recommended rates with scarcely a dissenting voice. When that convention adjourned it was freely predicted that the rates could never be enforced, as the increase was an increase of 50% over the rates that had only recently become established. However, the Secretary's office of the League, under the general direction of a committee of which James C. Fifield of Minneapolis was Chairman, a man who had pioneered in the matter of increased rates, went to work in earnest, determined to put the League to the proof. The result was that before April 1st of the following year, or within six months of the time the new rates were recommended to go into effect, over one hundred and sixty bar associations, including two state bar associations, had adopted the rates without an iota of change and over nineteen hundred cities and towns in the United States has sent in agreements signed by practically their entire Bars, by which agreements the lawyers of these cities and towns refused to do business on rates less than those

recommended by the League. Further, within ninety days of the time when the rates were recommended to go into effect, every prominent law list in the country and most of those not prominent had adopted the rates as their own, which in itself practically made the movement a success.

The promptness with which the work of rate reform has been brought to a success within the last few months shows that a new spirit is abroad among the lawyers of the country, a spirit of self-preservation and of self-defense, which was entirely lacking throughout the country a few years ago when rate reform was gingerly talked about by a few people under their breath at a League convention, and when every one was afraid to discuss it openly for fear he might "get in bad" with the forwarders.

The Commercial Law League of America is responsible for this awakening of the lawyer's feeling of self-respect. This organization alone has brought about the result of fifty per cent better compensation to the lawyer on commercial matters.

The contingent fee, so far as possible, should be banished from the law office. It may be that the contingent fee is a fixture on commercial claims sent for collection without suit; but aside from this class of business there should be no such thing as a contingent fee in the law office. It should be part of the "religion" of every member of the staff in the law office, from the office boy to the head of the firm, that every piece of work should have its appropriate charge. This should be the rule whether the charge is actually billed and collected or not. "The laborer is worthy of his hire" should be the motto over the door of the law office.

Where there are several members of a firm and several clerks, there is a great opportunity for items of charge to escape. Some system should be devised by which the time devoted to the work by every one connected

with the office should be accounted for and, as all work in the office is presumed to be for clients, every particle of time devoted to service should be represented by a charge to some one.

I was forcibly impressed by something that I saw in the office of Dill, Chandler & Seymour—one of the great law firms of New York—some years ago, and I have never forgotten the lesson I received from it. I was present, as a young lawyer, in their office representing certain clients in Michigan who were interested in a hearing before a referee. The hearing took place in the office of Dill, Chandler & Seymour. One of the questions at issue was the charges made in a large bill presented by a firm of attorneys. No one present seemed to be particularly interested in investigating this bill. As my clients were going to be compelled to help pay the bill, I considered it my duty to make some inquiries regarding it. I discovered that the bill was not itemized and, as it amounted to several thousands of dollars, I considered that an itemized statement was due.

The hearing was adjourned to the following day in order that the itemized statement might be brought in. When it finally appeared some of the charges read like this:

“July 10, To consultation of 1 hr. with Mr. Dill, \$50.00

July 15. To consultation of ½ day in office of

Dill, Chandler & Seymour----- 100.00”

and so on. There were many such items representing hours spent in the office of Dill, Chandler & Seymour on consultations.

On the day before, I had been shown through the office of this firm and I was interested to learn that every morning there was placed on the desk of every man, woman and child in the office a sheet of paper ruled for the hours of the day and with a space at the top in which was written the name of the party occupying the desk, and the date. Each person in the office

from Mr. Dill down to the office boy was required to make a notation on this sheet of what he did with his time during the day and, where certain things were accomplished, as for instance, interviews, attendances at court, briefing, consultations, a memo of the time (sometimes of the charge) was placed in the blank. At the close of the day, these sheets were collected and filed for the use of the bookkeeper.

Remembering this, I called for the sheets for the days on which it appeared, from the itemized bill in question, the consultations were held. To my surprise, as well as to the chagrin of all concerned, the claimed consultations dwindled down to brief visits and in many cases to figments of the imagination. The result of my discovery in this respect led to an investigation of the bill in other respects and the final cutting of it down one-half.

Some such method as this is absolutely necessary in every office, where there are several on the office staff. Indeed, the necessity for it exists, though there be but one person in the office. Where a matter drags along for years the client fails to realize (and sometimes the lawyer himself fails to realize) how much time and effort has been put on the case. The lawyer himself, when he comes to make up his bill, has only a general idea that the matter has hung fire for several years; but he has no conception of how much of his time he has spent in the matter, with the result that often his charges are inadequate, or, what happens still more often, the clients object to his charges and the attorney is unable to prove really how much of his time has gone into it. If a showing could be made of the exact amount of work spent on the particular piece of business, there would be a likelihood of an adequate charge being made and there would be data whereby a reasonable client could be made to understand the justness of the bill he is asked to pay.

Then, too, where there is a number of persons in the office a client may consult with one today and another next week, and still another the following week. When there comes the necessity of making up a charge, no one of the members of the firm is in position to state how much work has been done on the case. There should be a memorandum made by every member of the office staff of every item of business transacted during the day and a system of filing should be devised that would enable the bookkeeper or any member of the firm at any time to arrive at a just basis for charges on any particular item.

There is not so much use for this advice with the large city law office. The large office in the city usually feels the necessity of system in this particular. It is in the smaller offices and particularly in the country office where the lawyer gets into the habit of letting things of this sort slide and making up his charges by guess work. In other professions the practitioner makes his charges, as he does his work, from day to day. The physician does this, and if he is successful from a financial standpoint he does it religiously. He sends out his bills on the first of the month, as does the shopkeeper, and he collects them. The average lawyer has no system in this respect whatever. He seldom itemizes his bills and he seldom sends out a monthly statement. This arises largely from fear on the part of the lawyer that he will lose his clients by asking for money. The fear is usually a groundless one, because the best patronized business man is the business man that is prompt in his collecting. Those of us who run credits know that we would sooner patronize the house to whom we owe nothing than one where we have an outstanding bill unpaid.

It is the house that is most prompt in getting in its money that holds its customers the best. Here and there it may make an enemy by being too insistent on bills being paid when they are due, but in the long

run the business man wins by prompt collecting. The lawyer who has a client who owes him money is adopting a very foolish policy in not pressing for the money since the tendency will be, on the part of that client, so long as he owes the money, to think twice before he enters the lawyer's office again on another matter.

It is the same with the lawyer as it is with the doctor or the dentist. If we owe a bill we put off a visit to the man we owe as long as we can. Once the bill is paid, however, we unhesitatingly return.

Many a lawyer has a reputation in his community for being an easy mark; any one can consult him, either in his office or on the street, or at the corner drug store, or wherever he may be; his legal information is on tap at short notice and without pay. He is easy and is so recognized. There is no more reason why a lawyer should give away his knowledge, which is his stock in trade, than there is that the doctor should go about giving free advice. Many a lawyer, as I have said, is recognized in the community as not only able but willing to open himself up on all occasions at no expense to inquirers for advice. This sort of a lawyer soon learns to charge inadequate fees and as a rule is a poor collector of his fees.

The entry of the layman into the business of commercial law and collections marks the beginning of the practice of dividing fees between forwarder and receiver. It was always repugnant to ethical ideas that a lawyer should divide his fees, even with a brother lawyer. The ethical practice was for each to make his own charge and the combined charge was the client's bill. It was inevitable that when agencies came into the field soliciting business and offering to collect and adjust with and without the assistance of lawyers, that some such arrangement for compensation to the agency should come about; the agency, having the whip hand, could make its own terms with the lawyer, who in time

became dependent upon the agency for a large part of his business. It could not be expected that the agency would receive business from clients and send it out to attorneys without receiving compensation. It was easier to ask the attorney for a portion of his fees than it was to ask the client for an additional fee wherever a matter was placed in the hands of an attorney. The practice, therefore, quickly grew up and seems to have become well entrenched.

Within the last few years, however, the ethical character of the practice has come into serious question. If a reason for this question is sought it may be found in the fact that there is a general awakening in the profession to the fact that professional standards and ideals have been considerably lowered in the last decade, and there are some earnest men who are endeavoring to bring the profession back to its former position. Another reason, perhaps even more potent, is the fact that within the last few years agencies have dealt with the matter of fees and other conditions imposed upon the lawyers in such a high handed way that the lawyers are seriously considering the breaking up of the entire system and the inaugurating of a new regime.

It is well known that in some states, as in the state of New York, the attorneys encouraged by legislation are refusing to divide fees with laymen. The ultra ethical lawyer is refusing even to divide fees with his fellow lawyer. The example set in the state of New York is having its influence throughout the entire country and, as secretary of the Commercial Law League of America, I find myself almost daily in receipt of letters from lawyers throughout the country asking whether it is permissible to divide fees with laymen. Prior to two years ago I never had such a question asked me. The practice went unquestioned. The fact that it has sprung into prominence so suddenly and that it has met with such a quick and sympathetic response on the part of the law-

yers of the country would seem to indicate that the day of the division of fees with laymen is nearly ended—at least that it is in the afternoon.

I am satisfied that there will have to be a readjustment of things. In New York, agencies generally are adopting the plan of sending business to attorneys on a scale that does not require a division of fees. There is in fact a division, but the division does not appear on the face of the agreement. For instance, the regular schedule of fees now recommended by the League and adopted quite generally is on the 15 per cent basis. This permits a division of fees, allowing to the receiving attorney 10 per cent and to the forwarder 5 per cent, the proportion being two-thirds to the receiver and one-third to the forwarder. Instead of sending the business out as formerly with a demand for a rebate of one-third, the business is now being sent out on the 10 per cent basis net to the attorney without anything being said as to rebate, the agency retaining from the proceeds its 5 per cent and accounting to the client for the proceeds less the agreed rate of 15 per cent. Just what construction courts might make of this sort of an arrangement I am not prepared to say. On the face of the thing it is regular. Strictly speaking both the agency and the receiving attorney should bill for their services to the client and each bill should be separate and distinct, in which case there could be no ground for fault finding.

The example of the agencies in New York that are now sending out business on the "net" plan is being followed throughout the country generally. Many agencies in Chicago, Boston, Philadelphia and elsewhere who do not employ New York attorneys to any great extent have adopted the net plan in all their business transactions. That this will ultimately be the method of procedure I do not doubt. I believe that along with the old 10 per cent schedule of fees this practice of dividing fees will soon be *in limbo*.

There seems to be a misunderstanding or a misconception of the Commercial Law League of America's relation to this matter of a division of fees. Let it be understood that the Commercial Law League of America has never acted on the question; it has never said that there should be a division of fees and it has never said that there should not be a division. It has simply been silent on the subject. In fact, the question never came seriously to public attention until quite recently, so that the League has never felt itself called upon to take a stand, if indeed it could take a stand in the present condition of things. The only action on the subject taken by the League has been a resolution passed at a convention several years ago which declared that the proper division was one-third to the forwarder and two-thirds to the receiver. It was not a declaration as to the propriety of making a division in any case. It simply said that where a division is to be made it is to be made in the proportion of one-third and two-thirds. The reason for this resolution was that many agencies in their greed were requiring of attorneys that they rebate not one-third but one-half.

Personally I am inclined to the opinion that the receiving attorneys earns more than two-thirds of the fee. If I were to fix the proportion at what I consider just I would fix it at from three-fourths to four-fifths, and I would be inclined to the latter figure. The reason for this is that of recent years agencies and forwarders generally have learned a thousand and one tricks for the collecting of mercantile claims direct, through free demand letters, free drafts furnished to the clients, direct office demand letters and office drafts, post offices, banks, telegraph, adjusters and a great variety of methods that are known to the shrewd collector. The result of this is that very little goes to the attorney that has not been thoroughly threshed over, and the lawyer earns every dollar of the fee. He has little to thank the forwarder

for, inasmuch as what he receives is sent him of necessity and not through any desire on the forwarder's part to favor the receiver with remunerative business.

I have no doubt, however, but what the one-third and two-thirds division will continue indefinitely, though as I have intimated the two-thirds will be allowed as net fees with nothing said as to a rebate. That a forwarder should ask a division of 50-50 is rank impertinence and such terms should be spurned by every self-respecting lawyer.

Every lawyer outside of those jurisdictions where the legislatures and the courts have passed on the question of the legitimacy of the division of fees with laymen, will have to be his own judge as to what it is proper for him to do. On the side of the division of fees plan is the general custom that has been in existence for many years and has been almost universally observed. On the other hand, as against the practice, is the ethical consideration which is recognized by the legislatures and courts of several states, as I have said. The lawyer simply has to make up his mind as to whether he will observe the general practice and continue to divide his fees with laymen or whether he will insist that business be sent him in accordance with old time ethical rules without a requirement on his part to give up a portion of the fee to the one who furnishes him the business.

On other pages of this book we have discussed specific questions in connection with the charging of fees, as for instance, where claims are paid direct, where a collection is made through the taking back of the consideration of the debt, etc., and it is not necessary here to go over the ground again. What I want to urge here, however, is that where a fee is earned by a lawyer he insist upon its payment. Many a lawyer hesitates to bill a client for a fee on, we will say, a paid direct item, because of a desire not to offend or not to put in jeop-

ardly his good standing with the client. This is a species of business cowardice. No client can fail to appreciate the justness of a lawyer's claim for fees where the facts are plainly placed before him and where the attorney shows himself to be in earnest in his position. I have had attorneys say to me that they have scores of cases arising during a year in which they have been cheated out of their fees. The fact of the matter is, in these cases, generally speaking, the attorney has not stood upon his rights and compelled their recognition as he should. If the attorneys throughout the country would, with unanimity and with some degree of firmness, insist on the payment of their fees in such cases as we have indicated, clients and forwarders would, in a short time, come to recognize the rules and the propriety of the rules and there would be no questions asked. The client would expect, without question, where a claim is paid direct or where property is taken in payment of the claim that the attorney should be compensated promptly and adequately. Until attorneys insist upon their rights in these matters there will be a disposition on the part of forwarders and clients to disregard their rights.

The lawyer should never divide his fee with the client. This proposition seems self-evident. However, thousands of lawyers are daily dividing fees with clients, though in most cases unconsciously.

A large part of the business received by lawyers from agencies is business really sent direct by clients through the medium of their own collection departments and their own house attorneys who mask themselves as independent agencies or attorneys, whereas they are nothing more than a department of the client's business. They are not entitled to a portion of the lawyer's fees any more than would the bookkeeper of the client be entitled to it or his credit man were he to ask it in the capacity of bookkeeper or credit man.

The house agency evil has been referred to in another

chapter of this book. I cannot too severely condemn the growing practice adopted by clients of endeavoring to run their bookkeeping and collection and credit department at the expense of the lawyer. I say "growing practice," for I believe that the practice is on the increase, notwithstanding the efforts of the Commercial Law League of America to unearth these pseudo agencies and publish their names to its members.

When business is received from an agency that is not well known as being a general agency entitled to a portion of the fee (provided the lawyer admits the layman in such cases to be so entitled) the entire fee should be withheld by the receiving attorney, and if there is objection made by the agency the agency should be compelled to show its right to the fee. In a very large number of cases it will be found that the agency will not insist on a proportion of the fee if the lawyer objects to paying it. The house agency goes on the theory that it will get what it can and it is so much ahead by just what it can induce the lawyer to give up.

I think I am right in saying that lawyers annually are returning to their clients hundreds of thousands of dollars of their well earned fees. There is not a single case of refund to a house agency that the lawyer would stand for if he knew that this refund was going into the coffers of the client. The safest way to do is to presume that where business is received from an agency the latter is not entitled to a division of fees. The cases where the presumption should not prevail are, where it is known from past experience or from the general reputation of the agency that the agency is a general agency and not a house agency.

It does not pay a lawyer to take advantage of a client or a forwarder in the matter of fees. There might have been a time when a lawyer could "put it over" on a forwarder or a client, and occasionally he did so, with the feeling that the business in hand was probably the only

piece of business he would receive from that source and that by making hay while the sun shone he could get away with a charge that was beyond reason.

The time has gone by when this can be safely done, because the law lists nowadays are wide awake to complaints of overcharges and the attorney representing a law list cannot well mistreat one client without its having an effect on his business from other sources.

The Commercial Law League of America has become the center of complaints of this sort and a record is there kept for the advantage of its entire membership of men who take advantage of opportunities to cheat clients. I am glad to say that in proportion to the vast amount of business that is being placed with receiving attorneys throughout the country the claims for overcharges in fees are very few in number.

The man guilty of overcharging nowadays either does not know the risk he is taking in thus jeopardizing his entire commercial business or he is so desperately in need of money that he is willing to take the chances.

The two great stabilizers and regulators of the commercial business in recent years are the law lists and the Commercial Law League of America. These two elements acting in harmony are bringing about a condition of comparative safety in the transaction of commercial business between clients and the receiving attorneys.

No measure of the fees chargeable in law suits on commercial matters has ever been adopted. In the very nature of the case none can ever be adopted that would be satisfactory, because there is no one who can say when a commercial suit is begun where it will end. It may go to a default judgment and collection may easily be made on execution, or it may go to a trial more or less protracted, and the judgment may be appealed to a higher court and even may reach to the very highest.

The only attempt made by any authority to regulate commercial suits is that made by the Commercial Law

League of America in recommending a minimum fee (please bear in mind that the word "minimum" is used in connection with suit fees in the League schedule; the word "minimum" is not used in connection with claims collected without suit). All that the League has intended to say with reference to fees in suits is that the minimum charge shall be \$7.50 plus the ordinary commission as on claims collected without suit. It has simply said that it is recommended that lawyers shall not go into court for a less fee than as stated. There can be **no** other meaning of the word "minimum" in connection with suit fees as expressed in the schedule. It is not intended to say that the suit fee on say a \$1,000 claim shall be \$7.50 plus commissions.

There should be an understanding with the client in every case where a suit is to be instituted on a commercial matter. This understanding should be as definite as possible as to the charge in case of collection, which understanding should be varied from time to time as the matter takes on new and unexpected phases.

If it is said, as it often is said, that the minimum suit fee provided by the League schedule is too large on small litigated matters, it should be borne in mind that there is an additional provision made that in no case shall the suit fee be more than half the claim. So that, in the absence of an agreement, a suit fee on a \$5 claim could not be over \$2.50. Certainly no one will claim that this is an exorbitant charge.

I want right here to insist on the importance of attorneys consulting with their clients regarding fees on prospective work before the work is undertaken. I have found, and so has every other lawyer, that the client is much more willing to allow a larger fee than ordinarily provided, in advance of the work being done, than he is willing to allow after the work is completed. I was asked the other day by a Chicago law firm if they were not entitled to more than the ordinary commission on a

collection which they had had in their hands for three years and on which they had received payments from month to month of \$10 each. They had done an enormous amount of work on this claim and had only succeeded, after three years, in obtaining a full settlement. They said that in remitting they had kept a fee far in advance of the schedule and that they considered themselves entitled to it. I said, beyond question of a doubt they had earned every dollar of the charge that they made and even more, but that they could not, in good conscience, charge more than the regular schedule because there had been no understanding to that effect between themselves and their clients, and the claim had been sent them on the schedule prevailing at the time the business was placed in their hands. During all of these three years they had kept silent as to the amount of work they were being required to do. They had not complained of the arrangements as to fees and they were now in duty bound to abide by their agreement; they had no right to vary from its terms simply because they felt that they had earned more money. They had to agree with me and, while it hurt, they gave up the overcharge to their clients. I am satisfied that had they gone to their clients in the early stages of the business and laid before them the facts, showing what was before them in the way of work, they could have had as a fee almost any figure they might have named.

After the money is all collected, and the client has it in his possession, at least constructively, he is in no temper to listen to the plea of the lawyer, as he looks upon the money as his and the large amount of work done by the lawyer does not impress him, particularly as the lawyer has never complained of the amount of service he was being required to give.

Any law firm or lawyer can increase his income very appreciably if he will make it a rule of his office that when business of unusual difficulty presents itself for the doing

of which the usual schedule of fees is unsatisfactory, he will go to his client or to the forwarder and frankly lay the facts before him.

One reason why it is easy to obtain better results in the way of fees by asking for them in advance is that in cases like those we are talking about, the client (if the matter is sent direct by a client) has usually charged the matter off to profit and loss or is not considering it as a valuable asset and he is glad to offer the additional incentive for good work. Where the matter is sent by a forwarder the chances are very many (as I have hinted heretofore) that the forwarder has received a better percentage arrangement from his client than what he makes with the attorney to whom he sends the business. He sends it out on a lower schedule, hoping that collection may be made and that he may have not only the one-third rebate but also the difference between the percentage he receives from the client and the percentage he pays to the attorney. So that on receiving a request from the attorney for a better fee he does not need to discuss it with his client, but can give the better fee at once.

There have been many suggestions made looking to the classification of claims on the basis of age, or previous condition of servitude, charging, we will say, 5 per cent on claims thirty days overdue, 10 per cent on claims over thirty and less than six months overdue, 15 per cent on claims over six months and under a year overdue, 20 per cent, 25 per cent and even up to 50 per cent on still older matters. Such a classification of claims and graduation of fees is entirely impracticable. It will only work in theory. Many a claim a year old is easier to collect than many another thirty days old. It is not so much the age of a claim as its condition. A division based on age will never prove satisfactory.

Some have insisted that claims sent first hand to the attorney without being worked on by middlemen or by fellow lawyers could well be handled at a small percent-

age, and that claims that have been handled by other attorneys or that have been threshed over in the forwarding office should bear a large percentage. This sort of a classification also is impracticable, and it opens the door for many abuses. The receiving lawyer would never know save in exceptional cases what had been the previous work done on the claim and it would always leave him in that uncertainty which would tempt him to assume in every case that the claim falls within the class that entitles him to the big percentage.

The only practical way of building a fee schedule is to take the average claim and build a schedule to fit it, with the idea that the door is always open between the lawyer and his client or the forwarder for a different arrangement. The fault that is found with the League's recommended schedule is that it is too high for certain classes of claims and too low for certain other classes. This is very true. No power on earth, however, could settle a schedule that would fit every individual claim. There must be an average struck. Again I say, the lawyer and his client are always within ear shot, so to speak, and there is no excuse for the attorney in cases where he cannot do the business on the usual schedule refusing or neglecting the business by reason thereof. I have found that both forwarders and clients are amenable to reason. What they both want is the money, and before they get it they are in a condition of mind to buy service. After they get the money they are apt to be in a condition of mind to keep the money and disregard the service.

To the man who says that the schedule is too high for certain classes of business, I say he must not forget to figure in the overhead expenses of his office and the vast amount of labor he does for that client and others at no remuneration whatever; and that a fee must be established that will, on the average, make the commercial practice productive. I know it will be argued that in such a condition of affairs the man who gives

the good business to the attorney is being called on to pay the cost of the doing of the business by the attorney, which he fails to receive compensation for. It is said that this is not fair. In a sense, it is true; yet when the grocer places a price on his goods he figures (if he is a good business man) on his losses and his bad debts, on his spoiled goods, on his unsaleable stock, and the stuff that he sells must produce a profit sufficient to take care of the losses. The lawyer, in establishing fee rates, must take into consideration that he is in the same position with the merchant in that he has service for sale and that for much of that service he gets nothing, for much more of it he gets inadequate pay, and that if he is to come out at the end of the year with a fair degree of success in a money way he must make his average charge such as will produce a profit—all things considered.

I want to talk for a moment to the lawyer who considers that he is in an exceptional position and is entitled to more money for his work than is his brother lawyer in other parts of the country. He hesitates to agree to the recommended schedule of the Commercial Law League of America because, as he says, that schedule is made for the favored American community, to which his community cannot be compared. Conditions, he thinks, are unusual with him and entitle him to special consideration in the way of fees. I have much sympathy with the lawyer so placed. Without any question there are localities in the United States where, by reason of the excessive cost of living and the scarcity of clerical help, and therefore the necessity of paying higher wages, the lawyer is up against a condition that his brother lawyer, in older and more settled communities, does not have to meet. I am going to suggest that however much such lawyers may deserve a higher schedule of fees they can serve themselves and the profession best by sacrificing to some extent and permit-

ting the generally accepted schedule to govern in their business.

Lawyers who plead for unusually high rates for their own particular localities use one or more of the following arguments:

We are doing business in a new, sparsely settled country. Towns are far apart and often well nigh inaccessible. The people are new comers and mostly irresponsible. The cost of living is high. The lawyer's work is precarious.

Our community is not a commercial community. The towns are small and the population mainly rural. Business men are conservative. The people are as a whole comfortably well off. The collection of commercial claims is but incidental to the lawyers' work and not desirable business. If we undertake such matters it must be for a compensation that will warrant it.

Or, we do business in the city. Rents are heavy. Office help is expensive. Living expenses are at the top notch. Unlike the lawyer in the small town, we can be personally acquainted with but a small percentage of the people, so that nearly every item requires personal investigation. An unusually large proportion of the incoming items are worthless and constitute a liability. We must have special fees on matters that we can realize on to make up for the loss on what is worthless.

We prefer a local clientage, and, without unusual compensation, we will not risk the loss of impairment of it by accepting business that requires us to take steps against our own people. Pay us well and we will do it, but what we consider "well" we must ourselves determine.

Foreign clients, foreign agencies, foreign law lists have succeeded in battering down the rates to a point where self-respecting lawyers cannot afford to do the work. We will, therefore, combine in our community and make it impossible for outside commercial interests

to do anything here excepting upon our own terms. Our rate is high and we have intentionally made it so by way of retaliation.

The business of handling commercial claims is unremunerative at its best and by placing a practically prohibitive tariff on it we will get rid of it.

The business of handling commercial claims in our community is monopolized by a few firms or individuals and these persons by accepting business sent them at any and every rate have obtained an unusual business and have assumed undue importance in the public eye. One way of equalizing matters is to make bar rates that will cause all to stand on the same footing.

The Commercial Law League of America through its Secretary's office has gathered data showing that in over 2,000 cities and towns the lawyers of the country are working under Bar Association fee schedules, hardly any two sets of which are alike.

The Commercial Law League of America has undertaken a thorough census of all Bar rate communities which have established abnormal rates, so that for the first time in commercial history the credit and collection world can have instant and accurate information of where these conditions prevail and be able to protect itself.

In many cases the schedules adopted are apparently retaliatory in their purpose, and have gone as far to the extreme in the direction of exorbitant fees as have the worst examples of low fee schedules adopted by greedy forwarders gone in the other direction.

Some of these schedules are so nearly prohibitive that where they have become known to credit men, credit has been refused to local merchants, excepting where the responsibility and integrity of the buyer are unquestioned. When commercial accounts are in peril in these communities, traveling men, commercial adjusters, or lawyers from the client's own town or from

neighboring communities are sent in to do the work that belongs to the local lawyer.

In hundreds of Bar rate cities and towns the Bar rates on commercial matters are found to be a dead letter. In many cases the lawyers of the community do not know that they exist. In others, some recognize them and others do not.

In most cases it has been found that where exorbitant schedules are in effect, the rates on commercial collections have been determined by committees whose members would not recognize a commercial claim if they saw it. Several years ago an effort was made to bring about the adoption of the League's recommended rates by the Rate Committee of the Illinois Bar Association. It was found that not a single member of that committee had any experience with commercial business or had the slightest conception of the importance and the magnitude of it and a number of his fellow lawyers who were making a specialty of it. The result was the League's effort failed. It is pleasing to know that two years later before the rate committee of this same association, whose personnel had changed, so that among its members were commercial attorneys, the League got a hearing, with the result that an investigation was made throughout the state and the committee expressed its unanimous approval of the League schedule, and at the next meeting of the Illinois State Bar Association the rate was adopted.

A little investigation will reveal the fact that, usually, high fee schedules on commercial matters are dictated either by persons having no interest in commercial law work or by some who find in it the opportunity of venting spite and paying back old scores.

Excessive commercial fee schedules have inevitably proved a boomerang, not only to the commercial community, but the legal community.

The multiplicity of fee schedules, many of them exorbitant, have induced thousands of mercantile and manufacturing houses to give up forwarding business direct to local attorneys and to adopt the plan of contracting with collection agencies and adjustment companies, who make a flat rate with them for all their business, thus putting upon these agencies the burden of dealing with local schedules, and thus depriving the local attorneys of a portion of their fees, which under the common law of the commercial law business is divided between the attorney and the agency. Could the clients be certain that in sending out their business to local attorneys they would not be met with unusual fee schedules, much of the business that now goes through the hands of agencies would go direct to the attorneys with a proportionate increase in the local attorney's income.

There is no question but what the lack of uniformity in fee rates throughout the country has had the effect of driving the business out of the hands of local lawyers into the hands of agencies, and the further effect of keeping the business away from local attorneys and encouraging all sorts of devices for direct collections between client and debtor or between forwarder and debtor. If in a certain mountain district of the West a 25 per cent fee is charged, whereas the usual basis now is 15 per cent, the client is going to hesitate to place his business in that district until he has exhausted every possible means of obtaining the money direct, and the forwarder is going to do the same when the matter comes into his hands. The result is that the lawyer in that community obtains, as a rule, worthless stuff; or at the best, only such matters as cannot be compromised but must be litigated.

A lack of uniformity in fees compels merchants and manufacturers to take refuge in the agency proposition that offers to relieve the client of the uncertainties and inequalities and makes its contract at a flat rate for all business anywhere.

I believe were we to get uniformity in rates there would be a greater tendency to use local attorneys, which would more than compensate the lawyers in exceptional communities for the small sacrifice they would be asked to make in their charges. They would be enabled to get a better class of business and more of it.

I know there are certain counties and certain whole sections of states around which forwarders have drawn black lines, and refused to do business through lawyers. This condition should not exist.

I have been surprised to find that Bar rates on commercial matters in many localities are fixed, not by the commercial lawyers of the community who are interested in the schedule most of all, but by lawyers who have in most cases very little conception of the nature of commercial business. Commercial lawyers should see to it that when rates are fixed by Bar associations they should be so fixed as to encourage, rather than discourage, the sending of business. There is nothing that so pleases a certain class of agencies that I could name as to learn that a locality has adopted an exorbitant Bar rate, because this class of agencies flourishes by the direct collecting it does and not by the service it gets from attorneys. It is shrewd enough to adopt means of collecting that can dispense, in 90 per cent of the cases in its hands, with the services of local attorneys.

Despite all the efforts of the Commercial Law League, there is heard the constant complaint that the uniform schedule of fees, adopted by the League, is being ignored in certain quarters.

Lawyers in many places, by local bar rates, have partially solved the problem for their immediate vicinities.

The effective local bar rate is the exception rather than the rule. The vast majority of the receiving attorneys, who specialize in commercial practice, are daily receiving business on schedules that the League has condemned as inadequate and unfair.

Is the League to succeed in its efforts to secure the general adoption of this schedule?

The question is one of importance to a majority of its members and in our judgment of much more importance to the forwarder than to the receiver.

The difference between the \$3.00 and \$5.00 minimum fee, between 15 per cent on the first \$300 and 10 per cent on the first \$300, is of minor importance compared with the real question, which is, the proper reciprocal relation between the forwarder and the receiver.

Many able lawyers question the propriety of a division of fees earned in litigated cases. The custom of a division is a custom growing out of business necessity and not out of professional ethics or relations. Even if the equitable division of commissions and charges for making collections is properly a question of business contract, the division of attorneys' fees charged for trying law suits, while possibly akin to the collection commission, is by no means identical.

The commercial lawyer is engaged in a practice in which of necessity the line of demarcation between business service and professional service is difficult to clearly define.

The fine question of professional ethics is often difficult of concise definition. In a practice where the wavering balance may be so easily disturbed, it behooves every man in the practice to watch carefully the business details of his profession and the professional details of his business.

If the forwarder is entitled to a division of all fees derived from the business—legal business if you please—that he forwards, he is entitled to it because he renders to the receiver appreciable service and assistance.

The consideration he gives must be valuable and sufficient.

His part of the contract is not fulfilled merely by the fact that he comes in personal contact with the client and performs the mere physical act of sending the item to the receiver: To balance the scale, to make a sufficient business consideration for the contract of division, the forwarder must be the agent of the receiver as well as the client. It is his duty to see that the fees charged are fair and adequate; to protect the receiver who does the work, in those fees and charges. He should be a guarantor to his correspondent that those fees, when earned, will be paid. He should not be heard to accept a division of fees and at the same time escape liability to the receiver if the client refuses to pay a proper charge. He must be willing to become so liable to his receiver for proper charges for services performed, otherwise there is a lack of consideration to the contract for division. The forwarder who accepts collection business, who agrees to handle litigation on a schedule of fees admittedly inadequate, is not honestly and properly considering the interests of his associate, the receiving attorney. He is not entitled to and should not receive the consideration of the receiver.

Unless the proper relationship can be maintained, the client should deal directly with the man who does the work and the attorney who does the work should deal directly with the client.

The forwarder who persists in the use of an unfair schedule ignores the interests of both his client and his correspondent; he is pursuing a short-sighted policy and jeopardizing his own position in the business and professional world.

The schedule of uniform rates should be considered, not from the sordid viewpoint of dollars and cents, but from the broader viewpoint of what is just and equitable, of what is proper consideration and honest regard for the rights of others.

As to the matter of fees for making commercial reports, I would suggest that no commercial report

ever be made before it is paid for, excepting for well-known connections whose collecting and reporting business is legitimate and whose fair treatment of lawyers is well understood.

There is no fraud perpetrated on the commercial lawyer greater than that perpetrated through the commercial reporting system as generally carried on in this country, where a law list or mercantile agency can go to a manufacturer or merchant and for a small consideration sell him a supply of blank commercial inquiries and give to him a list of attorneys and tell him to use these freely in the obtaining of commercial reports, and at the same time make it not even probable that the attorney will receive compensation to the extent of one-tenth of his service in the making of those reports. It is a trick of the devil. Some day the attorneys of the country are going to rise en masse and demand that the free reporting system shall be confined absolutely to well-known channels where, by reason of long and honorable treatment of lawyers, the agencies employing the system are deserving of the lawyer's service.

The promiscuous requests for commercial reports which flood the office of the average commercial attorney are not only a nuisance but an absolute detriment and loss, and no attorney should permit himself to be thus used. The best way to stop this is to make no commercial reports save with the exceptions I have stated, unless payment for the same accompanies the request. If no payment accompanies the request, the lawyer should not permit the insidious suggestion or promise of business in the future to lead him astray. The request should be quietly laid aside until there has been a remittance to pay for the labor needed to answer it.

Many lawyers have devised forms of letters to send parties asking for commercial reports which forms are

polite but suggestive hints that the lawyer's time and information is his capital and that he cannot be expected to invest these without some returns. If the party making the request is in earnest and really wants the report, he will pay for it.

While on this point, I call attention to the fact that many calls for commercial reports are made without any purpose on the part of the inquirer to sell goods. Frequently, the requests are made by parties having claims already against the individual inquired about and the request is made with a view to learning at no expense the proper way to go about getting the money. It is one step taken in the direction of collecting the money direct and without the use of the attorney. In other words, the lawyer is used against himself. Can anyone think of a more outrageous proposition?

All fees should be promptly collected. It is with the client as with the individual generally—it is difficult to pay an old claim no matter how just it may be. One feels imposed on to be asked to pay what he has owed for several years, or for several months. It is the bill that is promptly received that gets the best attention. The lawyer should profit by general experience in this respect and adopt a plan of sending out his bills periodically and following them up systematically. As I have said, once the client is free from debt to the lawyer, he is much more inclined to employ him again than if he knows that he is already in the lawyer's debt and might be embarrassed to ask for further services.

It should be needless for me to say that costs should never be billed as fees and fees never be billed as costs. I say "it should be unnecessary for me to say," but I have to do so because many lawyers are in the habit of asking for fees under the guise of costs. It is a bad practice, if not a dishonorable one. The terms "costs" and "fees" have a distinct meaning and should not be

confused. The client who once discovers that his attorney accepts as fees what was sent him as costs has lost respect for that attorney.

The Commercial Law League of America Has Legislated as to Fees as Follows:

That the following schedule be approved as the uniform rate for collections, to-wit:

15 per cent on first \$300.

8 per cent on excess to \$1,000.

4 per cent on excess of \$1,000.

Minimum fee \$5.00.

Claims under \$10.00, 50 per cent.

Minimum suit fee \$7.50, plus commissions, the whole not exceeding 50 per cent of claim.

That the members of the Commercial Law League in their respective localities seek the ratification by the bar association and the lawyers of such localities, of this schedule, reporting the action on the same to the Secretary of the League, who shall publish the information in the Bulletin.

That the members of the League are requested to make the schedule of uniform rates adopted July 24, 1917, effective and in force in their respective offices on and after November 1, 1917.

That it is the sense of the League that the proper basis for the division of commissions on collections between forwarders and receivers is one-third to forwarder and two-thirds to the receiver.

That no member of the League should accept business on a lower scale of fees than that provided in the schedule recommended by the League. It is recommended that on receipt of business offered at a lower rate the receiver shall return the same to the forwarder with the information that he is a member of the League and that his office will not do business on rates lower than those provided in the League's schedule.

That it is the sense of the League that the fee rates promulgated by the League are not mandatory, but are rates recommended to the members of the League.

That it is the sense of the League that its schedule of rates should be adopted by list publishers, and we urge on all publishers of lists the propriety of adopting the same.

That collections by installments or in dividends in bankruptcy cases shall be treated as collections closed in one transaction, in the applying of the League's schedule of fees, there being no agreement to the contrary. In such cases, under unusual conditions, it is open to the parties to agree to another basis of charge, it being impossible for a schedule of fees to be adopted that will satisfactorily meet all conditions. This applies as well to old or outlawed claims, disputed claims, etc.

That it is and was the intention of the League in adopting its schedule of fees to provide that such schedule shall prevail in all cases where there is no agreement between the parties providing for a different rate, it being always open to the parties to

the transaction to agree to another rate. The League intends, however, to recommend that in no case should the fee rate be lower than that stated in the League schedule.

That local bar fee schedules, varying from the ordinarily accepted schedule of fees on collection items, introduce an element of uncertainty and dissatisfaction in the commercial law practice; that it tends to the employment by the client or the forwarder of any and every means of getting results without the employment of the attorney; that it is the direct cause of many unfair practices on the part of forwarders; that it tends to lessen the volume of direct forwarding and in this way lessens the attorney's compensation; that it assists and encourages the irresponsible attorney who in every community is ready to take advantage of his opportunities and is not the subject of rule or regulation. While the League recognizes that unusual conditions prevail as claimed, in many portions of the country, it also recognizes that there is no locality that cannot put up an excuse in behalf of unusual fee rates. It is the sense of this Convention that the advantages to be gained from a freer interchange of business that will be brought about by uniform rates would more than compensate for the sacrifice in this matter of rates that some bar rate communities would be called upon to make, in the adoption of the uniform rates recommended by the League.

That the League approves of the efforts made by the Uniform Rate Committee in conjunction with the Secretary's office to bring about the general adoption of the League's schedule of fees by local bar associations, and it calls upon all members of the League to give their influence and support to the movement directed toward uniformity in fee rates on collections, and on the minimum suit fee.

Unwritten Laws.—Rules and Customs.—Knotty Problems.—Mistakes in Theory and Practice.

Contingent Fees.

The custom, recognized generally throughout the United States, is to make commissions on collections contingent on success. So general is the custom that even were the claim sent an attorney for collection with no provision regarding fee, he is assumed to have accepted it on a contingent basis in the absence of a protest on his part.

Contingent Fees in Suits.

Suit fees are never contingent on results save by special agreement. The contingent feature of the fee system is not and never was recognized as applying to court proceedings.

The reason for the anomalous rule as to commissions on collections can be traced directly to the fact that in this line of work the lawyer is competing with layman. No such reason exists in the case of court work, and the attempt to stretch the contingent fee rule to cover this class of work is inexcusable and, as regards the lawyer, is unethical and illegal, since it is nothing other than speculation in litigation.

The contingent fee on collections without suit is itself of doubtful propriety where it concerns a lawyer, as a collection in his hands is a legal employment and should not therefore be a matter of speculation. It can only be excused on the ground of its long and well-nigh universal acceptance and the necessities of the case, since there is no rule of ethics or law to prevent the lawyer's competitor, the layman, from engaging in the work on the speculative basis.

A claim sent for collection on the contingent basis ceases to be governed by the contingent arrangement the moment suit is begun, on instructions, unless it is

expressly stipulated that the fee in the court proceedings is to be contingent.

A matter may be considered as in process of suit the moment a step is taken looking to and necessary to the bringing of the issue in court, provided that undue time has not elapsed for the taking of further steps necessary or proper to the prompt and orderly conduct of the matter.

The suit fee attaches the moment legal proceedings are begun. Stopping of procedure at any stage of the action, for any reason whatever, aside from gross fault of the attorney, does not affect the attorney's right to a suit fee, though it may be an element in deciding as to the reasonableness of his charge.

Commercial Law League of America and Suit Fees.

The Commercial Law League of America has never adopted or recommended a schedule of suit fees. It has confined its recommendations to fees on collections without suit and to the naming of a "minimum" suit fee.

A minimum suit fee is the lowest fee chargeable. It is the lowest limit, not the highest. Lawyers agreeing to abide by the League's schedule, agree to charge not less than the minimum fee for suit. There is nothing in the League's action to prevent their charging more, by agreement or otherwise.

All that the League has said in effect is that those adopting its schedule of fees cannot agree to charge a suit fee less than \$7.50, plus commissions. By "plus commissions" is meant plus the percentage of money collected in the action that is provided for in case of collection without suit.

Manifestly if no money is collected in the action, the minimum suit fee is \$7.50. Illustration: If \$50 is sued for and not collected, the lawyer's lowest chargeable fee is \$7.50; if it is collected it is \$7.50 plus 15 per cent, that

is \$15 (since commissions on collections without suit are on the 15 per cent fee basis where the amount is under \$300).

It has been held by some that "plus commissions" applies whether the suit ends in getting the money or not. In other words, if a suit is brought for \$50 the fee of \$15 is earned even though the action fails to bring the money. I do not believe that the league intends this. The wording of the schedule is: "Minimum fee in suit \$7.50 plus commissions." Now, commissions in the schedule are based on moneys collected. Evidently if no money is collected there can be no commissions.

So that I conclude that in an unsuccessful suit the minimum suit fee is \$7.50, and in a successful suit \$7.50 plus the same commissions as would be earned were the matter settled without suit.

In my interpretation of the League's minimum suit fee I have shown that in a sense the League has injected a speculative element into suit fees, since, if my interpretation is right, a lawyer must charge more if his suit ends in getting the money than if it is fruitless. I think this question should be cleared up, as the League, representing the best thought and practice of the Commercial Lawyer, should be the last to countenance any degree of speculation entering into suit fees.

I cannot make it too plain that suit fees are never contingent on success. No lawyer with any sense of the dignity of his profession should engage in speculative litigation unless under the rarest of conditions and under terms that will bear judicial scrutiny.

The minimum fee in suit (\$7.50 plus commissions) does not mean that whatever the amount of the claim the \$7.50 is fixed, and only the commissions vary—that is that the fee on \$300 collected by suit is \$52.50 (\$7.50 +15%) and that on \$200 it is \$42.50 (\$7.50+15%). The schedule means that these fees are the least that are allowable.

Meaning of "Minimum."

Many fail to understand the meaning of the word "minimum" as applied to fees. It means literally and is generally understood to mean "least." So that where a fee is fixed as a minimum fee it is meant that no fee less than the one stated shall be charged. The League's schedule of fees on collections without suit were formerly declared to be "minimum fees." The fallacy of this became evident in time and the word "minimum" was changed to "uniform." But the word is still used in connection with the suit fee, so that one adopting the schedule is saying he will not charge less than \$7.50 plus commissions on a suit, but he is not agreeing not to charge more. This should be changed so that the word "minimum" can be dropped entirely. The League is trying to bring about uniformity of rate. This can never come so long as any of the items are declared merely to be minimum.

If a small matter is sent for suit "on League terms," there is a wide open door to controversy over the fee, as the lawyer may reasonably claim he has agreed only as to what his minimum or least charge shall be, while the client may with a show of reason claim that the intention was to name a fee for small claims that should be fixed and not variable.

Instead of the word "minimum" in connection with suit fee, the League should leave all suit fees to the agreement of the parties, excepting on matters of small amount (say under \$100 or under \$50), where not the lowest limit of fees should be stated, but a certain fixed fee should be provided which should govern in the absence of agreement and be free from the element of contingency on the result. Not until this is done will the League's schedule or any schedule for suits be thoroughly ethical, legal and uniform.

"The word "minimum" should be taken out of the League's schedule of fees as applied to collections with-

out suit where it reads "minimum fee \$5.00." This is not the meaning intended. It is meant that the fees shall be 15% per cent on all amounts under \$300, but that where the amount collected is so small that the fee (at 15%) runs under \$5.00, a new rule shall apply, that is the fee shall, from that amount collected down, be \$5.00, with a further provision that the fee shall never be more than one-half the claim. In other words, the schedule was intended to mean, but does not so read, on amounts from \$300 down to \$33.33, 15%; on amounts from \$33.33 down to \$10, \$5.00; on amounts from \$10 down, 50%. Only by a schedule of this sort can uniformity be obtained and all question as to the meaning of "minimum" be settled.

In the same way should a limit be placed on the amount of the collection by suit to which the \$7.50 plus commissions should apply.

These changes can be made without disturbing existing legislation, and make plain and certain what is now obscure and in many minds uncertain. The word "minimum" should be banished from the schedules entirely.

In view of the fact that the contingent fee principle or practice is an anomaly in a lawyer's work and really contrary to ethical rules, if not illegal in the strictest sense, it should be limited in its application, and wherever there is a question the benefit of the doubt should always be given to the lawyer.

This rule should be applied not only in cases that are not "collections" in the real sense of the word, but to all cases where the lawyer does any service by order of the client which does not result in his getting the results. The following are instances:

Fee Where Client Prevents Collection.

Where a claim is sent by a client for collection on the usual contingent arrangement, either express or implied,

and the lawyer does work on it, he earns a fee, if by the client's fault or mistake, the lawyer is unable to accomplish results.

The contingent fee proposition presupposes that there is something to be done by the doing of which successfully the lawyer is entitled to a fee. If there is in fact nothing to be done the contingency ceases to operate. The lawyer is then entitled to reasonable compensation for his time and effort.

Fees on Matters Settled Direct.

If a client or forwarder sends a claim to an attorney that has been paid before it was sent, and if, before the lawyer has done any work on it he is notified of the fact that the matter was sent by mistake, the lawyer is entitled to no fee, as he has done no work.

If, under like circumstances, the lawyer has received the claim, entered it in his books, notified or seen the debtor personally or by representative, and reported results, the lawyer is entitled to a fee commensurate with his work. If he has only recorded the claim his fee must be nominal; if he has notified the debtor it may be slightly more; if he has taken time and spent money to personally interview the debtor it may be still more. The amount of the fee must depend not on the results accomplished, for none can be accomplished, but on the work done, which may be worth one dollar or one hundred dollars.

The schedule of fees on collections in such cases does not apply, as no collection is made. It is the quantum meruit that governs.

If after the claim is sent to the attorney and before it reaches him the claim is paid, the same rule applies.

If the claim has been paid to a forwarder before the lawyer receives it from the forwarder and the forwarder has not reported payment to the client, the client and

forwarder alike are liable for the lawyer's fee. The lawyer should first hold the forwarder and if unable to collect his fee should proceed against the forwarder's principal, the client.

If a claim is paid direct to forwarder or client after demand made by the lawyer, the latter is entitled to his fee the same as if he had actually received and forwarded the money.

If a part of the claim is paid direct, as stated in the last paragraph, and the client accepts a promise secured or otherwise as to the balance, the lawyer is entitled to full fee on the entire amount, provided the matter is taken out of his hands; if it is not, he is entitled at once to the fee on the amount paid, and to a future fee contingent on the promise as to the remainder of the claim being kept.

Effect on Fee Where Matter Is Withdrawn.

A client or forwarder may, as a general rule, change lawyers or withdraw a claim at any time, but a matter sent on a contingent basis to a lawyer gives him such an interest in the subject matter that where he has done any work he is entitled, on the withdrawal of the claim, to reasonable compensation for work done.

Fee Where Property Is Recovered and Not Money.

The ordinary collection sent on the contingent basis means an employment to collect money. The fee schedules assume that a money collection is intended. Where merchandise or something other than money is taken in part or whole payment the amount of the fee is not to be determined by the ordinary schedule, but by the usual method—the value of the service to the client and the worth to the lawyer of his time and effort. For instance, if a claim for \$50 for a farm implement is settled by the lawyer with the client's consent by taking back the machine sold, the client gets but a part of his \$50. The machine may be worth to him but \$20. The

lawyer has not made a money collection, which if made would have entitled him to 15%, or \$7.50. He has taken property that has profited his client \$20. Shall he charge the \$5.00 allowed on a \$20 collection by the approved schedules? I think not. Nor should he charge on the basis of \$50 collected. He should charge in proportion to his effort, having in mind what his client gets out of the transaction, and this charge may be \$1.00 or \$10.00, according to the circumstances of the case. It is not a money collection and must not be governed by ordinary fee schedules.

A part money and part merchandise or property collection should be viewed as a whole in determining the fee, according to the rule laid down in the foregoing paragraph.

Fees on Instalments Collected.

The fee on a collection by instalments is exactly the same as if the whole amount of the claim were collected at one time. The fee on \$50 collected at one time should be 15% or \$7.50. If collected by instalments of \$10.00 each, running over considerable time, it should be \$7.50. Any other rule would encourage the collection of claims in small amounts at intervals.

When a claim proves unusually difficult and must be collected in instalments the lawyer should at once notify the client of the situation and obtain a better fee arrangement. It is too late to do so after the matter is closed up. Nine times out of ten the client sees the reasonableness of the advance request and grants it.

The so-called "minimum" fee does not apply to each instalment in the collection of small amounts.

In remitting an instalment, in the absence of special fee arrangements, keep that proportion of the whole fee that would be earned if the whole claim were collected that the amount collected bears to the whole claim. Illustration: If the claim is \$100 and \$10.00 is collected,

remit the \$10.00 less \$1.50, which is one-tenth of the fee that would have been earned if \$100 had been collected at once. This, in the absence of special agreement.

The time to get an unusual fee arrangement is before it is earned not after.

Lawyer's Right to "Expenses."

The lawyer is not entitled to any expenses in making a collection, unless he is ordered or directed to do a thing in a way that necessarily and to the knowledge of the client entails an expense, or unless he has the client's express permission to make the expense.

If a client knows the debtor lives at a distance from the lawyer and a personal presentment of the matter is ordered the client is assumed to have authorized the expense. But the mere sending of business to an attorney in one locality against a debtor in another does not warrant the attorney making expense to the client. If he does not desire to do so at his own risk he must get the client's authorization.

Fee on Employment to Take Property, Etc.

Employment to take possession of property or to do any act other than collect money is not a money collection governed by the contingent fee rule and fee schedules, and any such work done, whether successful or not, should be paid for.

Fee Where Lawyer's Name Is Used.

Any use of a lawyer's name in making a collection or settlement of any sort between a client or forwarder and a debtor entitles the lawyer to a fee.

This applies to bank drafts. If a client or forwarder draws on a debtor and advises him that if he does not pay the draft the matter will be placed in the hands of a lawyer named for collection, that lawyer is entitled to the schedule fee, since his name, reputation and influence were used without his consent in making the collection.

It matters not how the fact of the lawyer's proposed connection with the matter is brought to the attention of the debtor, whether by direct notice to the debtor, by copy of the draft, by copy of proposed letter to the lawyer, by copy of instructions to bank, or, what is usual, by coupon notice attached to the draft itself. Any use of the lawyer's name unauthorized in the particular case and brought to the knowledge of the debtor entitles the lawyer to his fee.

In such a case the remedy is one or more of the following courses: A notice to the debtor requiring him not to pay the claim save through the lawyer's hands, which will usually cause him to hesitate to pay the draft; a bill to the forwarder or the forwarder's client for the fee; a notice to the secretary of the Commercial Law League of America of the facts in the case; an arrangement with the bank or banks of the town for prompt notice of such drafts on their receipt and the immediate notification of the debtor that the draft must be paid through the attorney. Usually the bank will see the justice of the lawyer's position and co-operate with him. These proceedings are each and all justified by the unwarranted use of an attorney's name in the forcing of a collection.

A law list encouraging or itself selling or giving away blank drafts and letters of demand and instructions to banks carrying this feature should be black-listed.

Effect on Right to Fee When Claim Not Acknowledged.

The fact that a lawyer does not promptly acknowledge a claim received does not affect his right to a fee where he has proceeded to do the work he is directed to do.

If in the forwarding blank the receiver is told that failure to acknowledge receipt of claim will disqualify

him from receiving a fee in case of payment direct, the receiver is bound.

Importance of "Forwarding Form."

The forwarding form, unobjected to, is a contract between the parties. It cannot be disregarded in the settlement. Of late years these forms have become exceeding burdensome in their requirements. In some cases lawyers cannot accept them and keep their self-respect. They take employment under them at their own risk. The only safe way is to read them and reject the business if the terms offered are unsatisfactory. One-half of the controversies arising grow out of a failure on the part of receiving attorneys to read their instructions.

A lawyer receiving directions as to work and objecting thereto should do nothing toward carrying out instructions until he has made satisfactory arrangements with the forwarder or client. To protest and at the same time proceed to do the work is to waive objections. For instance: A sends B a claim on an unsatisfactory fee. B protests and demands a better fee, but, before hearing from A, proceeds to do the work. B makes no answer to the protest. B must stand by A's offer. The only course is to withhold action until a satisfactory arrangement is made. This course should be followed in all cases where the forwarding letter is unsatisfactory to the receiver. General conformity to this course would soon bring about a forwarding form generally acceptable.

Effect of Objecting to Forwarding Instructions.

When the forwarder or client sends directions or instructions and the receiver, dissatisfied, sends his own form of receipt containing terms modifying those of the forwarder or client and proceeds to do the work, he is acting under the forwarder's orders and under his terms. In every case where dissatisfied he should in-

dicate to his client by letter (telegram or telephone if urgent) his unwillingness to abide by the terms offered and await instructions. Hundreds of controversies, peeved forwarders and clients, and disgruntled attorneys would disappear were the rule to prevail.

Changing Lawyers. Employing More than One Lawyer.

Negligence or incapacity on the part of the lawyer will excuse a client in a commercial matter for changing attorneys, but in a matter where the fee is contingent the attorney is entitled to the benefit of the doubt.

Under no circumstances may the client or forwarder send a matter to two lawyers at the same time, nor to a second lawyer while it is in the hands of the first without due notice to the first. Such a procedure entitles both lawyers to a fee.

A sends B business. B fails to acknowledge receipt of it, but proceeds to do the work. A, receiving no receipt, sends the same business to C, failing to notify B. B's failure to acknowledge receipt (which may be an apparent failure only), does not justify A in sending the business to C without notifying B and giving him a reasonable opportunity to give an explanation.

Division of Fees.

The well-nigh universal custom has prevailed for years of making a division of fees between forwarder and receiver, on the theory that the forwarder has earned a share of the fees by his being employed to handle the matter in the first place, by his assuming the responsibility of following it to an issue and by his assisting the receiver in every way possible in making the collection. The propriety of dividing fees between forwarder and receiver has not been seriously questioned until in very recent years, when by reason of some legislation and some decisions doubt has been thrown on the ethical character of the proceeding.

There has always been a question whether even in a law suit there should be a division of fee between a lawyer forwarder and a lawyer receiver, much less in the case of a simple collection.

As between layman and lawyer there is no question of the impropriety of a division in the mind of the ultra-ethical members of the profession, and this voices itself in legislation and decision in several states.

The custom is, however, still well nigh general of dividing both suit fees and collection commissions between laymen and lawyers. The division is invariably asked by the forwarder and, excepting in the few states where it has been frowned on by legislature and courts, it is invariably granted.

It would be folly for me to prophesy as to the outcome. With laymen coming dangerously near monopolizing the first-hand handling of commercial law and collection matters it would seem that some bending of strictly ethical rules will have to be permitted if lawyers are not to lose the commercial business entirely.

"Net Fee" Plan.

A subterfuge has been resorted to by forwarders in the sending of their business to receiving attorneys by which they hope to escape the operation of the rule against the division of fees. This consists in the sending of the business at a fee net to the attorney, no division being asked. The net fee offered is in every case just what the attorney would receive were the business to be sent under the old plan with a one-third back to the forwarder. Any one with half an eye can see the purpose. The question arises as to whether this device will satisfy the law.

It is plain that an agency may make a charge for its services in a matter and submit to its client a separate charge for its lawyer correspondent. Each in fact is entitled to a fee. We doubt, however, whether any of the forwarders thus using the net fee plan actually bill

separate fee charges to their clients. The clients know no difference between the old and the new way, since the only difference is that the receiving attorney's two-thirds is given the name "net fee." The amount of the fee is exactly the same. The forwarder's case would be strengthened were he to bill his own and his attorney's fees as separate items. I believe the net fee plan will become universal, in which case fee schedules will have to be amended, as they have been built largely on the idea that the lawyer must divide his fees.

Basis of Division.

The long recognized basis for division of fees has been one-third to forwarder and two-thirds to receiver. Attempts have been made of recent years to cut the lawyer's share to one-half. The 50-50 division, however, is universally condemned as unfair. No lawyer with any regard for his rights will accept business on such a division arrangement.

The provision that in case of payment direct between debtor and client the attorney shall receive from the forwarder in the case but one-half the fee is unfair. The plea of the forwarder is that he is put to the trouble of collecting the fee and hence he should have more than one-third. The reason is trivial. The lawyer has earned his fee and the forwarder is responsible for it. Then why should the lawyer pay the forwarder for collecting a fee, a portion of which the forwarder himself is to receive and for the receiver's part of which he (the forwarder himself) is responsible? Items forwarded on these terms should be returned with thanks.

Forwarder Liable for Fee.

The receiving attorney is entitled to demand from the forwarder fees on matters sent him, whether or not the forwarder collects the fees from the client. The receiver is not in duty bound to wait till the forwarder collects from the client.

Dividing Fees with Clients. House Agencies.

A fee should never be divided with the client. This looks like a waste of words, but it isn't. Lawyers are doing it to the extent of hundreds of thousands of dollars annually, but they are doing it unwittingly in large measure.

Business received from agencies and individuals, particularly lay individuals, should be scrutinized with great care, as in a very large proportion of cases the individuals or agencies are but employes of clients, using an agency or attorney name to mask their real business. Some of the biggest business concerns in the country employ an agency name in their bookkeeping and collecting departments, and by sending out their business under that name they get from the receiving lawyers one-third of their fees, which in many cases covers the entire expense of these departments.

You would not pay your client's bookkeeper one-third of your fees. But you would, if that bookkeeper masquerades as the International Law and Collection agency, unhesitatingly hand over the one-third.

This abuse is not confined to laymen. Lawyers are employed by large houses on salaries and given office room and clerical assistants. They are strictly employes of the house. They are not entitled to a division of fees. Frequently such attorney receive more by way of the rebated one-third than the expenses of the department, and the client has his collection work done for nothing or at an actual profit.

The theory on which a division of fees is based is that the agency or lawyer sending the business is an independent middleman conducting an office of his own, incurring the expense of soliciting and distributing business and depending for his maintenance on the fees received directly or indirectly for his work. He is a producer working in the interests of a large constitu-

ency and in a way doing for the lawyer what the lawyer cannot do for himself. A house attorney or agency does not stand in any such relation.

The Commercial Law League of America publishes for the use of its members a list of these house agencies, which is being added to daily. Lawyers not in the League should make agency and attorney forwarders give evidence of their right to a portion of the fees earned. It should in no case be assumed that because an agency name is used the agency is a legitimate one and entitled to recognition as such.

Here are some marks of illegitimacy: No individual names on the stationery. No street address. A post-office box address only. An address the same as that of the client. Often, however, the house will give street numbers on one street and the agency will give an address answering to a door into the building on a side or back street. The same handwriting on the house and the agency stationery. The same typewriter used on the agency communications and the statement of account sent. The allowance of fifty per cent or other large fee. A check for costs payable direct to the attorney from the house, sent through the "agency" or direct. And there are other signs the careful lawyer will detect.

Fees Where Payment by Debtor Was Made to Prior Attorney.

Where a claim is sent to a second attorney and, whether it be withdrawn from the first or not, the debtor pays the first attorney before or after the second attorney starts work on it, the second attorney is entitled to his fee. As to whether the first is entitled to a fee or not depends on circumstances. If prior to collecting the claim he has been rightly dismissed he is not entitled to a fee. If wrongfully dismissed he is entitled to it. If he has collected and retained money for an unreason-

able time he has forfeited his right to compensation, or in the event it is allowed he is liable for legal interest on the amount so retained for the time he has had it.

“Costs,” “Expenses,” “Fees,” “Retainer.”

“Costs,” expenses,” “fees” and “retainer” are terms often used carelessly. Each has its individual meaning as used in the commercial law and collection world.

“Costs” include only expenditures proper in court proceedings. They never include fees. “Costs” are cash outlay or liability of the client to other than the lawyer. They are his to pay in the event the law does not collect them from the defendant. The word has no meaning in connection with collections without suit.

“Expenses” include only money paid out or liability for debt incurred incidentally in a suit, for which the defendant is not liable, and in the case of a collection without suit, where the term is usually applied, it includes money paid or debts incurred in the effort to reach the debtor and bring a settlement.

“Fees” are compensation freed from expenses and costs. It includes only the net return to the lawyer for his services.

A “retainer” is a payment of fee or on account of fee in advance. It does not include costs or expenses, though the lawyer may, by agreement or without agreement, pay advanced costs and expenses out of his retainer. He is not in duty bound to do so. “Retainer” means fee only, unless specified to include something else.

When a lawyer receiver or forwarder asks for \$10.00 for “costs” it can properly mean only that the money is asked for a fund to be held in trust out of which to pay costs as they accrue and to be accounted for on the final settlement, as belonging to the client.

The practice of asking for a certain sum in advance for costs with a view of retaining a portion as fee is wrong and not worthy of the lawyer. This is a very

general practice and has injured the profession, in that clients have come to know and understand the deception—for such it is. Were the advance to be known as a “retainer” with the understanding that a portion of it was to be applied by the lawyer to costs as they accrue and the balance applied in full or part settlement of fee, well and good, but to ask for costs and use the fund without permission partly in payment of fee is bad practice.

The practice prevails in some cities of asking by way of costs and expenses a certain sum with the well understood purpose to apply the unused portion as compensation, in case of failure to collect. I doubt very much whether this can square with rules of fairness. If the client understands the arrangement, very well. If he does not, not so well. If the small portion left from the fund is a fee it is usually a grossly inadequate fee in a court matter. If the lawyer is entitled to any fee he is entitled to a fair fee and should not collect the few dollars by underhand method.

The practice of forwarders asking their clients for a certain sum for costs and sending a portion of this sum to the receiving attorneys, who alone have costs to pay, and retaining a portion in their own hands, is but another form of working clients for a fee under the guise of costs. Here the forwarder and the receiver may both get a few dollars each by way of fee unknown to clients who have charged the expenditure up to court costs and, not being billed for a fee, think they are paying none.

This unsatisfactory sort of practice arises from the application of the contingent feature to court business. Lawyers, bending to the insidious workings of the contingent fee idea, are putting claims in judgment nominally on the contingent basis, but, in order to take off the curse and ease their consciences, are making matters worse by attempting to conceal the fee under the term “costs.”

I must repeat that the client world should be educated by forwarder and receiver to know that a real lawyer cannot do court work on a contingent fee; that it is contrary to his professional standards of conduct and is essentially illegal as encouraging litigation and speculating in it. It may be worth but a few dollars to put an uncontested claim in judgment in an inferior court. If so, make a nominal fee charge. Ask for five dollars or ten dollars with the understanding all around that it is to cover costs and a nominal fee in case of failure to realize on the judgment, and not ask for five or ten dollars for costs, pay out a few dollars to court officials and pocket the balance. The whole proceeding is unworthy the high toned lawyer.

Application of League Fee Schedule.

According to the C. L. L. A. schedule, the lowest fee chargeable on items under \$33.33 is \$5.00, excepting for items under \$10.00, when the fee is one-half the claim. These are the generally accepted rates. Where a claim under \$33.33 is part paid and the remainder is uncollectable it is not proper to charge the \$5.00 fee, but only such proportion of the \$5.00 as the amount collected bears to the total amount of the claim. For illustration: A claim for \$20.00 is sent for collection. The fee on \$20.00 collected is \$5.00. Suppose \$12.00 is collected and the remainder cannot be collected. The attorney is not justified in retaining \$5.00 out of the \$12.00, giving as a reason that the so-called minimum fee is \$5.00. The \$5.00 fee rates is allowed with the understanding that the entire matter is disposed of. The fee on the \$8.00 should be twelve twentieths of \$5.00, or \$3.00.

Where such a claim as described in the foregoing is compromised—that is, settled in full by agreement between the parties, at a figure less than its face—the full \$5.00 is earned. In the case illustrated, if \$12.00 is accepted in full settlement, the fee is \$5.00.

Best Course When Receiving Business on Unsatisfactory Terms.

If a claim is received on terms unsatisfactory to the Receiver, the better course is to hold the claim, notify the Forwarder and do nothing with it, pending further directions. This is better than returning the matter, for several reasons.

First—If the claim is returned, the Forwarder is likely to send it elsewhere. If it is held, the Forwarder is likely to vary his terms to suit the Receiver.

Second—If action is wanted speedily on the matter by the Forwarder he can sooner get it by use of wire or telephone if it is in the hands of some one on the ground at the time than if he must send it to another attorney.

In nine cases out of ten, better terms can be had for the asking, reasonable grounds for the request being given. Three times out of four the Forwarder has not given the Receiver as favorable terms at the outset as his agreement with the client would have justified him in doing, so that a request for better terms seldom has to be submitted by Forwarders to clients. Many Forwarders proceed on the principle of "Get all you can, give all you must."

Accounting for Interest.

The attorney is not required to account for interest on overdue claims sent for collection, unless specifically directed to collect it. While interest may be legally collectible, it is not customary to insist on it, unless there be a definite provision for interest, as in a note. To insist on interest is to jeopardize the claim in so many instances that clients and Forwarders see the un wisdom of compelling the attorney to collect it. For this reason a provision in printed forwarding forms obligating the Receiver to collect interest is objectionable. Attorneys, however, should not disregard instructions to collect interest.

Lawyer's Right to Expenses When Working Away from Home.

An attorney announcing, through legal directories or otherwise, his facilities for taking care of business in towns other than his home town should not expect "expenses" in connection with such work, excepting by agreement with client or Forwarder.

Deducting in Remittances Charges on Another Matter.

Costs, expenses or fees in one matter should not be deducted from remittances made on another matter. If there is doubt as to the good faith of the client, advise him you have money in hand on the claim collected and ask what disposition to make of it in view of your unliquidated bill. If the client is above suspicion you will, of course, remit promptly and bill your unpaid charges separately.

Going Behind the Forwarder.

It must be a rare case where the receiving attorney has to go behind the Forwarder and address the client direct. The only excuse for it is the persistent neglect of the business by the Forwarder, or his manifest wrongdoing. Even then the client should not be addressed until after the Forwarder is advised and given an opportunity to do his duty.

Lawyer Succeeding Another Bound by Latter's Agreements.

A receiving attorney succeeding to the business of a fellow-attorney is bound by the latter's agreements, express or implied, with reference to such business, made with forwarders or clients, and this is true as to fees and charges generally.

Lawyer Employing Another.

A receiving attorney should not employ other attorneys to do work entrusted to him without the express

or implied consent of Forwarder or client. If he does so, it is at his own peril. He is responsible for results. This does not mean that in an office employing several, the work may not be done by either lawyer or lay clerk other than the person actually addressed in making the employment. The work done by the office will be assumed to be done under the supervision and direction of the individual employed.

Division of Contingent Fee Presupposes Fee To Be Whole Fee Allowed by Client.

The receiving attorney, in the absence of agreement to the contrary, in the case of a contingent fee matter, where the Forwarder asks for a rebating of one-third of the fee, has a right to assume that the fee stated is the entire fee allowed by the client. For instance: A Forwarder receives an item of business from his client on a 25 per cent fee arrangement. He sends it to a receiving attorney on a 15 per cent basis and demands one-third of the fee. The demand for one-third warrants the Receiver in thinking the fee named is the entire fee paid by the client. In case of discovery of the true state of affairs the Receiver is justified in keeping two-thirds of the entire fee; in the illustration, two-thirds of 25 per cent. See discussion of this on another page.

If the Forwarder demands no part of the fee, the Receiver cannot complain. He may take or refuse the business offered. If he takes the business on the terms offered (no division), and afterwards finds the client paid the Forwarder more, he has no recourse nor cause for objection.

Manner of Accounting for Money.

In remitting, the full amount collected should be accounted for, together with all money advanced by the client or Forwarder by way of "costs" and "expenses." All charges should be itemized. A remittance reading,

"I hand you check for \$35, being \$50 collected, less fee and expenses," is in unsatisfactory form. The following is in proper form:

Amount of collection-----	\$50.00	
Cash advanced -----	5.00	
		<hr/>
		\$55.00
Fee at 15 per cent-----	\$7.50	
Expense: Railroad fare and ho-		
tel authorized -----	3.25—	10.75
		<hr/>
		\$44.25

The most common and exasperating fault with remittances is a failure to account for money advanced for "costs" or "expenses," or both. Money advanced for these purposes belong as much to the client as does the money owing by the debtor, and it should be strictly accounted for, either in the way of money refunded or money paid out as authorized expressly or impliedly. A fine piece of work is often spoiled and its good effect on the client nullified by an unsatisfactory report of results.

"No fees will be allowed where suit is brought and the money is not collected, unless there is a written agreement to the contrary."

Notice the words, "where the money is not collected."

In other words, this forwarder will accept the results of an unauthorized act if favorable to him; otherwise not.

This provision would deny fees to an attorney though authorized and directed to sue, should he fail to collect, for there must be an agreement as to fees in order to claim them.

Under this provision a lawyer would be foolish to take any action in court, no matter how urgent the need of it, even though the delay killed all chances of getting the money.

A more reasonable requirement would be: "No suit to be brought without instructions and fee estimated in advance, save in emergency cases where instructions by wire or telephone cannot be first had.

"Claims must be presented at once and receipt acknowledged, with such information as you can give."

This presumes that the lawyer has nothing else to do but "present" this particular claim. To follow instructions every other matter must wait. If away from home he must return at once. If in court he must adjourn his case. If in conference with a client he must dismiss the client. His not to reason why, his but to do or die.

Better this: Acknowledge receipt and present claim with reasonable promptness, sending with receipt such report as is available at the time.

"If claim is settled before being presented by you, no commission will be paid."

Query: What is the meaning of "presented?" Must there be an actual, physical, personal demand? There are scores of cases where this provision would work an injustice.

Suppose the debtor lives out of town. To see him costs money. There is no provision for expenses. Will a written demand mailed constitute a presentation? Will a telephone message or a telegram? What about the lawyer's time in acknowledging receipt and entering on his books, and possibly studying the case, as must often be done, and making inquiries perhaps to locate the debtor? Is he expected to donate this?

If a physician is called in a case and on calling finds he is not needed, does he take his labor for his pains?

Suppose before sending the business to lawyer A, the forwarder has written to debtor B that unless he pays he will employ lawyer A. Debtor B is slow to respond, but he gets there with his money while the

claim is on the way to lawyer A. Lawyer A presents the claim. Debtor B shows receipt. Lawyer A gets no fee. Not if the clause we are talking about holds good. And this thing is happening hourly in the collection world.

Suppose the forwarder or the owner of the claim uses one of the usual forms of draft supplied in wholesale lots by certain publishers and agencies at a little more than the cost of white paper, in which lawyer A's name is used by way of a club, and debtor B pays the draft after some delay or pays it promptly, and the bank delays remitting, and in the meantime the claim reaches A, who in the next mail is told to stay his hand as the debtor has paid. Is lawyer A entitled to nothing in this transaction?

My position is that the contingent fee system applies only to actual claims. If there is no claim, if lawyer B is employed to do an impossible thing, i. e., collect where there is no claim, he is entitled to a fair recompense for what he has done—not a commission on the collection, for there is no collection, but a fee to cover his outlay of time and expense.

I believe the time will come when lawyers will demand that on matters settled prior to their being employed on them they be entitled to compensation commensurate with their effort—small, if the effort was mere acknowledgment of receipt, docketing and notifying debtor; large, if the effort meant a day's journey, or as I have known to be the case, the reading of a great grist of correspondence and a study of the case before it can be properly presented.

And as food for thought, I would suggest that a fee rate be established for all pseudo claims at say three or five per cent without division, with a reasonable minimum fee.

If such a plan were adopted we would find fewer "mistakes" on the part of forwarding offices, credit men and banks, and lawyers would get less "thanks" and more justice.

Isn't it pertinent to ask, why should the lawyer suffer from the errors of banks and forwarders and their clients, particularly since the most of these cases arise where the lawyer's name has been used without his knowledge or authority?

Making Collections Pay.—Making a Profit From the Collection Department.—Profiting From “Worthless” Business.—Collections as a Feeder.

MAKING COLLECTIONS PAY.

Do “collections” pay? They do and they do not. Where they do not there is something wrong with the office system employed, or the expense loaded on to this particular service is too great, or there is not enough of this sort of work to warrant anything more than cursory attention to it.

The first reason may be readily discovered. It is simply a question of what proportion of the office expense is chargeable to this service and how does that compare with the income from it. In other words, how much of the expense of your office could you cut off if you refused collections entirely and how does this saving compare with the returns from the service?

Many times it will be found that an antiquated, clumsy system of work is to blame. Barnacles have accumulated on the ship and these impede the progress. You have failed to learn, as time has gone on, the modern way of doing business. You are competing with up-to-date men and methods and you simply have dropped behind.

More often the failure is due to the fact that there is little of such business in the community on which to found a success, in which case if you have added much expense to your office to take care of such business you naturally lose money.

Hundreds of lawyers annually quit “collections” because, as they say, they do not pay. Hundreds of others not only continue at it, but say they make money at it. With all due allowances for differences in locations, there must be something wrong with the unsuccessful man if his neighbor can do the same sort of business and show a profit.

I am convinced that collections can be made to pay wherever such business can be had in appreciable amount. I am further convinced that nine men out of ten who quit the business because it is unprofitable have only themselves and not the business to blame.

The whole question is one of fitting the expense to the income. If a lawyer spends five hundred dollars a year in making two hundred dollars in fees, he is not managing right. He has exactly the same problem as the storekeeper has. He must fit his expenses to suit his environment. Plate glass windows, mahogany woodwork, marble floors, cut glass electric fixtures hardly spell wisdom in a grocer who caters to a "cheap-john" trade. The more he advertises, the higher grade goods he carries, the more he decorates, the more he loses. The wise grocer cuts the cloth to the pattern. There is money in collections, even if but a few hundred dollars in fees are realized, if the expense is kept where it should be.

I am talking now of collections only and I am not thinking of the indirect profits to be obtained from a wider acquaintance and clientage and from the law employments growing out of collection service.

I believe that every department of the business of the lawyer should pay a profit—that every part of his work should stand or fall on its own merits. Many a time the argument is made by the advocates of the free reporting system that it should be carried at a loss because it produces collections, and then we are told that collections should be welcomed at pauper rates, and on the contingent basis at that, because they produce legal business. I do not agree. I consider that every service a lawyer renders is worth a price and that that price should be what will reasonably compensate the lawyer for his time and effort.

It is well known that thousands of law firms engaged almost wholly in the commercial business, in

which business litigation cuts very little figure, have continued in the business year after year and given indisputable evidence of producing good incomes to all connected with them. This could not be were the collection business per se, as conducted by the lawyer, a losing business.

When Mr. Elbert C. Ferguson of Chicago died there passed away a typical commercial lawyer. His whole life was devoted to making a success out of the commercial side of the law. He began at the very bottom round of the ladder. No man ever began more humbly. Many a time has he told me how he made his debut without money and influence in a great city crowded with lawyers struggling for place; how with desperate local collections in his pocket he tramped through the very slums of the city to get a few dollars. And yet that man, honest and courageous, went steadily forward until he had one of the handsomest offices in Chicago, with other lawyers as his assistants and a finely equipped collection department. At his death he left a beautiful home on one of Chicago's most exclusive avenues, a modest fortune in money, stocks and bonds and a circle of friends bounded only by the two oceans. He rose to be President of the Commercial Law League of America. Collections made this man. In his case collections paid.

As I write I think of a young lawyer who has been located in Chicago but five years. In that five years he has gathered about him a staff of seventeen employes, three of whom are lawyers, his offices being an extensive suite in a high-class office building. He comes to his office in a high-powered motor car. He belongs to the leading clubs. He is a commercial lawyer. The very foundations, side walls, supporting pillars and roof of his business structure are collections.

My whole contention is that success in this line is not so much in the business itself, but in the man. It

is the same in this field of endeavor as in every other. Success is a question of brain, not of matter.

Of course, my small city or country town readers will say, "But I am not in Chicago." True. Neither is your successful town merchant in Chicago. He cannot be where he is and be a Marshall Field & Co., but he can be a successful merchant nevertheless. So with the so-called country lawyer. He can make collections pay if he uses the degree of care, thought, time, system and energy in it that is used by the successful merchant who studies every department of his business to make it not only pay for itself, but pay a profit.

I am told that Sears, Roebuck & Co., one of the greatest mail order houses in the world, requires of each of its scores of department managers a certain percentage of profit or something happens in that department. The lawyer should be just as careful to see that his collection service is built on economical, money making lines and be made to pay a profit.

A commercial lawyer in an unprofitable community may greatly enlarge his usefulness and income by opening a field of operations extending over one or more counties. This I have referred to elsewhere. A man who succeeds in pleasing mercantile clients and forwarders in his local work may quickly enlarge his field of operations, because the number of good men in the commercial law line in any given territory is usually very small.

Forwarders often find a satisfactory representative at a certain point and unable to get his sort of service from others within a radius of one hundred miles. Here is the satisfactory man's opportunity. It is within his power to build up a wide commercial business without moving to the crowded city.

No man can make collections pay who spends his money indiscriminately on law lists. There are ways which I have pointed out for obtaining a line on the profitless class, and yet, really without exaggeration,

hundreds of thousands of dollars are being paid by lawyers to worthless publishing enterprises every year. No wonder collections do not pay, so long as lawyers pay.

In making collections pay the commercial lawyer must use some judgment in the class of clients and the class of business he accepts and the fees he charges.

It is not so much how much business I have as it is what sort of business and how I handle it that is going to determine my success with it.

It is very hard to draw the line between the matter to be refused and that to be accepted. As I will explain later, I believe one can well afford to accept any honorable employment, even though it be a hopeless task. There are ways of handling even hopeless tasks to win a good opinion at least and at a very slight expense. But once it is discovered that a client or forwarder deals almost wholly in "seconds" or worthless items (worthless when they reach the lawyer) the connection should be respectfully declined.

It is a mistake to hold on the books unprofitable matter simply for fear that returning business may cause you to lose a client. As long as you have this business he is holding you responsible for results you cannot furnish and your reputation is suffering. Weed out, periodically, the dead wood in your files and let some one else hold the bag and finally win the reputation of failure with it.

Never allow yourself to return an item of business without an adequate reason. Don't say simply "worthless," "dead," "outlawed." Because the forwarder must report more than that, and it is your business, no matter how disagreeable, to help the forwarder keep the client. Too many times has what appeared worthless to one proven profitable to another.

The so-called worthless collection often holds within itself considerable of value to him who will look for it. It gives an opportunity to please the client.

It gives an introduction to at least two people, both of whom the lawyer may never before have come in contact with, i. e., the client or forwarder and the debtor. I say at least two; it may be more.

It gives the lawyer an opportunity to do the impossible.

A chance to please a client is always to be welcomed. Sometimes I think a careful, conscientious report in a hopeless case does more to impress the client than a remittance on an easy item. I believe some of my best clients in my first days were won by studied care on my part in reporting on hopeless cases. The impression given was that, if I could be so thorough with a bad matter, what might I not do with a good one.

To return a worthless matter with only the label "N. G." is to say nothing or worse than nothing, as every one has learned that the meaning of "N. G." depends on who says it. Once a client of mine returned to his office after a trip and reported in my presence that he had had a wild goose chase and that the claim he went to collect was "N. G." I suggested that he was a poor collector. He dared me to undertake it, offering a fat commission. I took the job and got the money, though I almost had to steal it. On the other hand I have reported matters "N. G." and have had clients show me afterwards my mistake.

If we could realize how hard it is to win clients in the face of modern competition we would court every opportunity to make the favorable impression. If you know a matter is worthless, impart your knowledge, give facts and not conclusions. Drop the matter, but take care at the same time you don't drop the client.

A full, intelligible report on a worthless matter puts the client under obligation to you. The other sort of a report earns his ill-will. He may not often need you, but when he does, once he is pleased, he will recall the man who was painstaking and courteous in a matter that got him nothing.

The good impression can be gained by the careful handling of a small but worthless matter quicker than by the handling of a large worthless item. It is to be assumed that the lawyer's natural cupidity would lead him to exert himself in the latter case. The presumption is the other way in the former.

Of the so-called worthless claim as an introducer, an acquaintance builder, I cannot speak too earnestly. Anything that brings you in contact in a business way with your fellows is of value to you, no matter how trivial and unprofitable it is in itself, and no matter how unlikely to produce business the acquaintance it breeds.

It is a hobby of mine that every man and woman a lawyer must dun for a debt, or sue on a contract, or call as a witness, or what not, is a possible client. Adroit handling of men and women with whom we come in contact even the most casually produces wonderful results. Any man, no matter how lowly, how poor, how worthless, is hitched up somehow, somewhere, with other people.

It is a sheer waste of opportunity to treat all men whom we have matters pending against as, for the time being, enemies or antagonists. It is our privilege to win the good opinions of this class and it is easy and profitable to do it.

Letters to debtors, even to dead beats, can be made so human that the recipient is won, if not his empty pocketbook. Many a fellow is in trouble because there is no one to suggest a way out. Your dun comes to him in the stereotyped, threatening form as another kick down the hill; he damns you for it and disregards you. A kindly expression often brings a man to your office, if only to say he appreciates your treatment, and the call often ends in his trying and, with your advice, succeeding.

The pay-or-go-to-jail-or-hang sort of letter never gets there with a so-called worthless matter and, while it may get the money, it doesn't get the man, and in my opinion getting the man is more than getting the money; but you can get both.

The collection department should get this idea soaked in well, that ninety-nine men out of a hundred are susceptible to kindly treatment; that sugar catches more flies than vinegar, and that a debtor in the office is worth two in hiding.

Win your client's good opinion and the debtor's good will and acquaintance and the despised collection looms up as a blessing in disguise.

But above all it gives the lawyer a chance to show his metal. Anybody can do easy things. There is no chance to make a reputation doing things that require only ordinary tact and skill.

Did you ever notice how elated your office is when you make a ten-strike with no chance to win and when you get your client's letter you want to frame it. Scores of such letters have been sent me by lawyers who just had to tell some one. The impossible has been accomplished, and like the Biblical one as compared with the ninety and nine, it brings rejoicing.

I would compel a feeling in my collection department that no claim is worthless except by comparison and that if it can only realize on the easy things there is time somebody else ran the department.

THE DRAFT SYSTEM.

The draft system is, as the name implies, a system of making collections through drafts drawn by creditors upon debtors payable through banks. The system is as old as the hills as between creditor and debtor. A comparatively modern development has been the draft system as employed by lawyers and agencies, and particularly the latter.

I do not know just when the mercantile world began using drafts through lawyers and agencies, but I do know that at the first convention of the **Commercial Law League of America**, some twenty-three years ago, one of the leading papers read and discussed was on the subject, "Is the Draft System a Benefit or a Detriment to the Lawyer?" So that I can assume that the system was in full swing at that time.

In the first place, there can be no objection to the draft system in its simplest form, that is the drawing of a draft by a creditor on a debtor for the amount of his debt. The later development of the system, however, has not been without criticism. I think, however, the criticism has been largely uncalled for.

Whether the draft is drawn by the merchant to the order of the agency and by it endorsed to bank, or whether the merchant draws a draft on an agency form and send it direct to the bank, or whether the agency itself draws the draft on the debtor and sends it direct to the bank, there would seem to be no reason in morals, or ethics, or good business judgment, to object.

I have always been inclined to feel that the draft system was a direct benefit to the lawyer in that it serves to bring into course of collection many accounts that otherwise would remain on the merchants' books and be paid in the course of time without the use of attorneys. Drafts, as a rule, are not drawn on the sort of delinquent claims that would otherwise go at once to an attorney; they are used, as a rule, on good but slow accounts, accounts that are not in great need of legal attention, but which require simply a little extra push, and the extra push is given through the medium of the draft and the knowledge the debtor has that the matter is likely to go into strange hands if the draft is not paid.

So that many a delinquent account that is simply slow, on a draft being dishonored, at once comes into the

hands of the agency or the lawyer and becomes profitable business.

There can be no objection to a draft being drawn and the statement made to the debtor that if it is not paid it will be turned over to an attorney, provided that the attorney is not identified. Here arises the chief criticism of the draft system in that the custom has arisen and is being too generally followed of giving the name of the attorney to whom the draft is to be handed in case of its not being paid. The result of this, of course, is harmful to the lawyer, since he has no way of protecting himself, not having any notice of the draft being drawn and his name being used.

There are various methods used of bringing the name of the attorney before the debtor. His name may be used on the draft itself in the margin or on the back thereof, or on a perforated stub, in either of which cases the debtor to whom the draft is presented sees what lawyer will be used against him in case he fails to pay.

One prominent agency, one of the most prominent in the United States, used for a long time a draft with a perforated portion which consisted of a letter to the bank, and another perforated portion which consisted of a letter to the debtor. In the letter to the bank the attorney's name was used. A copy of the draft and the two attached letters were customarily sent to the debtor direct. The **Commercial Law League of America** took steps to stop this practice on the part of the agency referred to, and after some strenuous efforts success crowned its efforts. That agency now sends the name of the attorney to the bank in a separate envelope, so that the debtor is not advised on the draft being presented to him as to who of his fellow townsmen is to be employed against him if he fails to pay.

I am glad to say that this form of iniquity is going "out of style" and that we may expect within a comparatively short time to find that attorneys' names are

not thus being used without authority—another indication of the benefit conferred upon the commercial law and collection world by the **Commercial Law League of America**.

However, the evil practice still continues in some quarters; agencies, connected with law lists, I am sorry to say, are still selling blank drafts and forms of letters to merchants whose wording provides that the name of the attorney shall be inserted so that the debtor may be advised and properly frightened into paying.

I think an improvement will come in the present method in that when a draft is drawn on a bank and the bank advised to hand the same over to an attorney if it is not paid, the attorney (at the time the draft is sent to the bank) will be notified of the fact and be requested to call on the bank on a reasonable time after date of payment, and obtain the draft. This would be an improvement in present conditions in this way: The draft would be more promptly collected by the bank if they knew it was going to be called on to turn it over to an attorney if it was not promptly paid. Very often a bank has a claim of its own against the debtor in question, or is interested in the debtor's business in some way, or it may have other and prior drafts in its hands against this same debtor which it is interested in first collecting. Drafts are, therefore, often held by banks with no effort, or at most a lukewarm effort, to collect, and it is not an unusual thing for a bank to be slow in remitting.

If the attorney were notified when the draft was made that he was (on a certain date) to call and get it at the bank, the bank would know that promptness was essential if it was to get anything out of the transaction.

Then, too, where a draft is lying in bank, the debtor having been notified of its being there and having been favored with a threat, he is given the opportunity to escape it if he is so minded or to fix his business so

that the lawyer will find it difficult to handle the matter when it comes into his hands. By the prompt transfer of the matter from the bank to the lawyer, this danger is minimized.

Some such process as this would very greatly facilitate collections and save many a claim otherwise in jeopardy.

Drafts sent to banks, as I have said, often lie dormant for some time. Occasionally the bank must be urged to report on the matter. In the course of time, the draft may be returned, in which case it becomes necessary for the claim to travel back to the attorney—all this at a waste of time, endangering the success of effort to collect.

It has never been considered that the draft system fell under the general meaning of the term "collection" so as to require that forwarders should handle drafts on the ordinary schedule of fees as applied to collections in general. Agencies and attorneys who use the draft system often charge two and three per cent. There are some who do it for even less, and not a few who will furnish draft forms to their clients to be used by them free of charge with the understanding that if the drafts are not paid they will be turned over for collection in the regular course and after the regular manner. I do not know that lawyers generally have any right to find fault with any such arrangement. I know this, that it would be futile to find fault, as the system is a perfectly legitimate one, and has been in operation so many years and is so well grounded that it would be practically impossible to eradicate it, if it were deemed desirable.

I have always been of the opinion, as I have stated, that the draft system is not a detriment to the lawyer, and that it is both a benefit to him and to the merchant world, inasmuch as it puts business into circulation in a fresher condition, and hence is more profitable to the lawyer and agency class than if the merchant world waited

until the claims on the books became so far delinquent as to unquestionably need agency or legal service.

I would advise lawyers whose names are used in an unwarranted way to make a charge to the forwarder or the merchant of a reasonable fee notwithstanding the draft may be paid at the bank and never come into his hands. The difficulty, however, in these cases is to know that there are any such drafts in existence. Not infrequently, however, parties on whom drafts are drawn with threats of this kind advise the lawyer, so that he is enabled to protect himself.

I have even thought that in communities where the task would not be too great it would be well for the lawyer to notify all the merchants and dealers in his town that if drafts are drawn on them with his name used as the lawyer in whose hands they are to come if not paid, they may know that his name was used without authority, and request that information be given to him, in order that he may protect himself against such unfair dealings. This would serve the double purpose of stopping the practice, in that town, and also of permitting the lawyer to make a ten-strike with his fellow-citizens.

Here is a place where a local organization of the commercial lawyers of a town can serve a good purpose by jointly notifying all merchants and dealers in the town that such proceeding is unauthorized and requesting information as to individual cases coming within their knowledge.

Here and there a lawyer may be so related to the bank or banks of his town that he may advise them of the situation and obtain from them information of such unwarranted use of his name.

Whenever a case arises the party injured should at once notify the **Commercial League of America**, which has declared this form of collecting to be unfair.

It will be understood that I do not condemn the draft system in itself; but that I do condemn abuses that have grown out of it.

THE ADJUSTMENT SYSTEM

From a merchant himself or one of his employes visiting a delinquent debtor for the purposes of making an adjustment or collection of a claim, to the employment of a stranger to do it, is a simple step.

The adjustment agency or adjustment bureau is simply a name for an individual or collection of individuals who offer to the merchants to go out on claims of considerable size on a per diem, sometimes expense added, and adjust matters with debtors where there are disputes, or even where the debtors are merely delinquent.

Adjustment bureaus or agencies are of somewhat modern growth. There is nothing new or novel in the idea—it is simply the enlargement of the collection agency idea to include the employment of men expert in handling large matters and relieving the merchant of the necessity of going himself or sending some one from his office.

Usually the adjustment bureau or agency advertises to cover a certain prescribed territory; in other cases, the bureaus or agencies are so extended in their dealings they divide up the entire country into sections or districts and employ an adjuster at some central important point in each district. In most cases, these adjusters are lawyers or law firms.

The basic idea of an adjustment is that there is some difference to arbitrate, some counter claim or some objection arising out of the transaction itself which requires expert handling over and above what a collector might do. Adjustment bureaus and agencies, however, do not confine themselves to adjustments proper, but are really collection agencies, their adjustments being simply names for items of business running up into large amounts.

As originally devised, it was intended that the adjuster going out from the bureau or agency should approach the debtor as a business man and even go so far

as to hoodwink him into the idea that he was coming direct from the merchant and that he was doing so in order that the matter might be kept out of the hands of agencies or lawyers. This deceit is constantly practiced, and is of course excusable only on the grounds of "the end justifies the means."

The adjustment bureaus of the National Association of Credit Men have sprung into great prominence of recent years. These bureaus were originally organized for the purpose of making amicable arrangements between debtors and creditors, saving merchants from failure, arriving at just conclusions as to the advisability of making compromises, assisting merchants in arriving at a conclusion as to their own solvency, marshaling assets, and so far as possible saving the business world from failures. The purpose was a very laudable one; but it soon developed that the bureau could not live on this sort of business alone, and as a result the general collection business was grafted on it and has now become a component part of its work.

In the early days of these adjustment bureaus of the Credit Men's Association, it was strenuously denied by the officials of the Association and the bureaus themselves that the bureaus were intended to be collection agencies, but there is no such plea made at this time, the bureaus having taken it into their own hands to build their business to suit themselves. The fact is the National Association of Credit Men has little, if any, control or authority over these adjustment bureaus, as they are, in most cases, controlled by the local branches of the Association.

Many of these associations come very close to being house agencies; indeed, if we are to be honest with our application of the definition of a house agency, more than a dozen of these so-called "adjustment bureaus" would be condemned as house agencies and declared not to be entitled to a division of fees on the business

they send to attorneys. The reason for this is simple, it being that the bureaus are owned and controlled by the members of the local associations; the manager is on a salary. If anybody gets any profit or any advantage from the division of fees with the lawyers, it is the owners of the business. They simply use this money for the purpose of paying the expenses of the collection of the claims through the bureau. They are, in other words, paying less for collecting them than are merchants generally who do not use the bureau unless they themselves are operating house agencies and deceiving the lawyers in the matter of fees, as many individual houses do.

This is my opinion as to the true character of many adjustment bureaus. I say this without any desire to press my views, as the **Commercial Law League of America**, after once declaring these bureaus to be house agencies under certain conditions, has since modified its views and rescinded its action. However, I am entitled to my own opinion in the matter, which is no way official. I hold the same opinion as to certain of the trade agencies that are owned and controlled by their members and whose manager is a salaried man; and also as to certain of the credit insurance agencies, one of which openly declares in the sending out of its business that it is not a collection agency but an insurance agency and yet it demands a division of fees.

I have no question at all but what the adjustment bureau can be of great advantage to the merchant world, but I think that much more importance is attributed to it than it is entitled to. I was told recently by a representative of one of the biggest adjusement organizations of the country that in nearly a year's time he had never had an adjustment sent him, and he represents one of the largest cities in the country, and his territory covers parts of several states. I learned from another prominent lawyer, who is the adjuster in a large

city for this same concern and whose territory embraces that city and a whole state in addition, that he had had but one adjustment in a year. I feel that the adjustment feature of the collection business is more of a talking point than a real, practical thing at the present time.

I see one abuse in the business which I desire to point out. One at least of the large concerns advertising the adjustment feature publishes a legal directory and sells representation to every city, town and hamlet in the country where it can find a lawyer ready to pay for such representation; at the same time it goes into the leading cities of the country and employs law firms in each, to be known as its adjustment representatives, and to each of them is given a wide territory. The plan is that, where an adjustment is to be made anywhere within that territory of any considerable amount, the adjustment representative will "travel it," to use their words. The result, of course, is that the lawyer in the locality where the debtor resides and who is, by reason of his contract for representation with the law list, entitled to the business of his locality, fails to get it. He will get small items that may go over the list, but the large item will go to the city. This I consider to be eminently unfair, and I believe the time will come when local lawyers will spot the organization that adopts the plan and will cease to pay it money for directory representation. When that time comes the organization will drop the adjustment system, because, as I have said, the adjustment system has not reached proportions that would warrant an enterprise dropping all its local attorneys for what it can get out of the comparatively small adjustment business that is being done.

The adjustment bureau idea has not, as I have said, developed sufficiently to make it an object of concern to any one, if indeed it ever need be. Its success is problematic, and to my mind never can be great. It is, however, a menace to the business interests of the lawyers

of the smaller cities and communities in that it is only another means by which business is being centralized.

It should be understood that most concerns calling themselves adjustment companies or agencies are nothing more than collection agencies with the adjustment feature so subordinate as to be almost negligible.

A scheme of collecting is adopted by some agencies and law firms in the big centers that partakes something of the nature of adjustment bureaus. They advertise at intervals trips to be made by special collectors or adjusters. The towns and cities that are to be visited are named with the approximate dates of the visits. They are enabled thus to gather up considerable outside business which, carried in the pockets of the traveling adjuster or collector, makes less business for the local lawyer. Such practices, however, cannot be highly remunerative, and will not be indulged in to any great extent. They make, however, just one more agency that is invading the field of the so-called "country attorney."

EMPLOYEES AND EQUIPMENT.—THE ECONOMIC AND EFFICIENT OFFICE IN CITY AND COUNTRY.

Things controlled are desirable; things uncontrolled are dangerous. Instance, the automobile.

Men who have learned best the secret of control have been the most successful.

Take the matter of time. How many men control their time? All men think they do; few really do.

Take the average day in your life. Call the roll of the minutes and check off those that have not answered to your will, but exercised a will of their own; and you, through habit, cowardice or laziness, have truckled to them like the weakling that you really are.

You think you control your work. You don't; your work controls you. You have no time for this, that and

the other avocation, study, vacation, relaxation. Of course you haven't. You have no time. Time has you.

I am not talking to the butcher, the baker, the candlestick maker. I am not talking to the merchant and the manufacturer. I am talking to lawyers—the most systemless, lawless mortals on earth, among whom there are more failures than in any other class of workers you can name.

I mean just what I say. Educated, advantaged in social position, intimately related as they are to life in all its phases, with opportunities for observation unequaled, they, as a class, attain less in the summing up than men in almost any other business or profession.

Tradition gives the lawyer a halo of respectability, and this is often his entire stock in trade. He is usually careless in his personal affairs, improvident in his living and unsystematic in his methods.

He looks with disdain on the man who controls his time, his movements, his materials and his tools. "Scientific management," as now being applied in the conservation of time, energy and money in all lines of ordinary endeavor, in the store and the factory, is without interest or value to him, if indeed he ever gave it a thought, whereas, if the truth were known, no workshop in the world needs it more than his.

Scientific management may cause a saving of 50 per cent in the time and labor of twenty men moving a thousand tons of pig iron a hundred rods. But wherein does that teach a lesson to him?

Well, we will see.

If you are over sixty years of age and rated at less than \$2,000 on the books of the fellows who have an unpleasant way of running around rating lawyers and others, and those ratings are published so the world may know them—and I am able to know yours; if, as I say, you have worked for some forty years and have nothing

much to show for it, perhaps you have a right to think I can't tell you anything.

But there are a lot of young men and middle aged men in the practice with some future before them. To these I particularly address myself and I believe they will listen.

Because it is not pleasant for young men to realize, as they must, when they read the statistics, that the chances for a juicy old age are not overwhelmingly large in our profession.

By whose authority do I speak?

No matter.

Scientific management means such management as will produce results aimed at with the least expenditure of time, effort and money.

An example of what scientific management may do in even the simplest and lowest forms of labor was recently given in a popular magazine:

A foundry manager desired to move many thousand tons of pig iron a few hundred yars. Scores of men accustomed to handling pig iron were set to work under a foreman. Their labor consisted merely in picking up the pigs, walking the allotted distance with them and returning for another load. The operation was simple and needed, you would say, only brute strength and some one to see that the men worked. An experiment was made. An expert in scientific management of labor watched the work for some hours, noting minutely the number and character of the movements made by the men, the time consumed in waiting to pick up a load, in starting, in covering the distance, in depositing the load, and in starting the return trip. From these data he made sundry calculations and deductions. Then he bargained with one of the men, agreeing to pay extra wages if he would do exactly as told for a whole day. Standing beside the man he directed his every movement, telling

him how and when to pick up his load, start, carry, drop, start on the return, when to rest, how long, etc., etc.

The work accomplished by this man was found at the close of the day to be one-half again as much as had formerly been accomplished by him in the same period, and he was less fatigued. At once the entire force was put to work under the same direction, with the result that the job was accomplished in two-thirds of the time that otherwise would have been required, the men working no harder and feeling no unusual fatigue.

Business men are seeing that if such results can be accomplished, by a study of ways and means, in the lowest forms of labor and in the simplest processes, even greater results may be accomplished where the processes are many and complex and the opportunities for waste motion and time multitudinous.

I am convinced that a study of law office methods will be profitable and that out of this study many practical suggestions may come that will enable the lawyer to conserve his time, his strength and his money—in other words, that scientific management may be applied advantageously to the law office.

A word of warning, please, before I start in. I am going to talk about little things, but little things which in the aggregate amount to a big thing. It is, in fact, in doing the little things that we find the most waste. In the numberless little things wrongly done one may discover the cause of more than one failure among great enterprises. It is the little things, too, that annoy and tire and destroy our happiness. For these reasons we should welcome any suggestions that tend to reduce their number and importance.

First, I talk to you about your correspondence. I once knew a lawyer who could scarcely open and close his roll-top desk for the accumulation of papers—letters answered and unanswered, legal documents and odds and ends. I know another whose desk, a flat-top, was

always cleared for action, because the drawers and pigeon-holes beneath the polished surface hid the confused mass that the other man unblushingly advertised to your face. There was not a day that these men did not lose time and come perilously near breaking a commandment searching for something. Another man puts half his mail in his pocket and throws the other half into an open basket on his desk. When he wants a certain letter he knows just where it is, for it is either in the basket or in his pocket, and he knows the pocket, if he has but one suit of clothes. Another man uses the drawers of his desk as a catch-all and he gets his reward. Once, after sweating blood for a month looking for a letter, I found it accidentally when taking down a book from its place on my library shelf. I had opened the letter one day while reading, used it as a book mark, laid down the book for a season and then forgot the circumstance. That little piece of carelessness cost me a pretty penny.

A firm of two or more members selects or should select one of its number to superintend the mail. This usually falls to the member of the firm who has a capacity for detail work, which all lawyers do not possess, and who has habits of promptness and industry. He should be early at his desk, so as to open the first (which usually is the most important) mail of the day, see that it is stamped with date of receipt, and, if needing prompt attention, that the proper files are produced, if any, and placed on the desks of the members of the firm or clerks whose business it is to attend to them. The promiscuous opening of mail by any and all members of the firm is a pernicious and mischievous practice. There should be one member of the firm who has in his grasp more or less completely the entire work of the office, and this no one can have unless he sees, if but to glance at, all the mail; whereas, if letters are opened promiscuously and carried away, no matter if by those entitled to their

possession, no one possesses that grasp of the situation that is needed. He need not see the outgoing mail, unless, as is sometimes required of him, all mail goes through his hands for signature. In many big city firms a chief clerk, often himself a lawyer and a near-partner, is intrusted with these duties. The whole point is to relieve the members of the firm whose time and ability in other directions can be more profitably used and the concentrating of the whole business in some one center, which as it were becomes a clearing house. It is that some one may feel the pulse of the entire organization, so as to detect its strong and weak points, and to suggest or adapt means to ends; and this never can be done with a haphazard handling of the correspondence. But more as to this later.

There are two sorts of letters: Letters that require something to be done about or concerning them, if only an acknowledgment; and letters that require only to be filed. The latter class should be disposed of at once. Being largely mechanical work, this should be left to employes. A fairly intelligent office boy, stenographer, clerk or student should do it. It is not your work. Let me, where I can, save you from yourself. Sufficient for you that when such letters are read you indicate by a mark that they be filed, and that you place them in a receptacle on your desk (not in your desk—the devil invented drawers and pigeon holes) intended for “matters disposed of,” to be filed at the close of the day.

All letters and papers as opened should be stamped with the date of their receipt. A dating stamp made ready in the morning by the office boy and placed within your reach enables you to do this without loss of time. Parenthetically, I would urge that all envelopes be kept attached to important letters. They are a part of the correspondence. The mailing date is often of the most material consequence, as also the date of receipt. Law suits over contracts made by correspondence have been

won and lost by evidence in the shape of envelopes. The filing should be done at the close of the day. Remember that held-over or accumulated work of any kind makes hard work; and that filing is a clerk's work, not yours. The mail requiring attention other than filing is of two kinds—that requiring immediate answer, and that demanding time for consideration. It goes without saying that letters requiring immediate answer should get what they require. An invariable rule should govern in correspondence, KEEP IT BEHIND YOU. Nothing tends to so clog the wheels of an office as accumulated correspondence. It is expensive in a dozen ways. It frets and worries at both ends of the line, and reacts on the procrastinator, greatly to his injury. Circumstances occasionally prevent prompt action, but these are not nearly so frequent as we like to imagine. I might say, what I know by experience to be true, that the man who is prompt to get his work done has much greater time for leisure after the work is done than the procrastinator has before it is done. The latter, too, has ever the evil ghost of it before him, while the former is free and ready for new work or play.

All formal letters should be turned over for answer to office help. The best business man is he who knows best how to delegate his work. The lawyer should control, but should get as far away from the machinery of his office as possible. His proper function is not the doing of the merely mechanical. He shows his head when he so trains his assistants (and it is wonderful how quickly and easily they take to responsibility) that he can keep himself in reserve for the important things in hand.

The lawyer should take pride not in how much of the details he can handle, but how little. In time the good manager in this respect will find how really much he can delegate and how much time he has gained for reading and study, and for rest and recreation.

I want to make the point hard and continuously throughout this chapter that the lawyer should practice law and not dawdle or trifle. Some men are so constituted that howsoever much they may have studied and prepared for the profession they can never be more than their own clerks. They ought really to be accountants or bookkeepers or routine men in banks or business houses. They work, aye they slave, and they never get anywhere. They never get a wide view of themselves, their work or the world. This is the class of men who continually act on the assumption that if they give up any part of their labor to another it will not be done or will be done wrong. These are the men who have no time for vacations. How can they quite when they are not only the engineer, but the furnace, the boiler, the motive power, the belts, the flywheel, the shafts, the axles and the cogs—the whole thing.

I see lawyers prematurely tired. The reason is, not so much that their practice is large and engrossing as that they have so buried themselves in details and woven such a web of treadmill habits about them that they cannot break away and be free for a week without a haunting fear that their business has gone to wrack and ruin. I insist that scientific management will do away largely with the slavery of office work. It will eliminate the deadening effect of routine by lessening its amount, relegating to subordinates some of what is left, and rendering the remainder not only easy of accomplishment, but pleasant.

As to form letters, whether sent in part print or wholly in writing, I have to say that, despite the antipathy to them on the part of the old time lawyers, they are infinitely preferable to no letters at all. The most exasperating type of lawyer is the one who fails in the little courtesies of the business, thereby giving his client trouble and expense and finally alienating his confidence and support. Take the matter of acknowledge-

ment of receipt of items of business, instructions, important papers.

A courteous word of acknowledgment, printed, if you please, even on a post card, and with a printed signature, and addressed by a subordinate, has the effect to satisfy the client until such time as further word, if any, may be reasonably expected. Some lawyers consider this a waste of time, money and energy, and, thinking to save this and to let a report on the case in due time suffice, they break the fundamental rule of good business that requires an acknowledgement of material matters, and earn a reputation for inattention and inefficiency, which may not really be deserved.

I am here talking of the form letter used in answering. There are few cases where a form letter can be used, particularly in printed form, in opening a correspondence. An item of business may be sent under printed form unless there are special instructions, but a printed request for a report on business somehow carries with it little weight, though there is no reason why it should not receive equal consideration with a written request, as the latter is usually after a cut and dried pattern.

I quote an article from the Chicago Tribune that may lend a valuable pointer or two. It runs as follows:

"Any persons who has studied the correspondence entering and leaving the average business house must have been impressed with the number of letters received that fall in certain general classes and with the sameness of the replies that go out in response. Many firms aim to handle this situation to some extent by means of form letters, but the average person of today is rarely deceived into believing the form letter to be a personal communication, as in ninety-nine out of a hundred cases the subscription inserted with a typewriter fails to match the body of the letter in style and size of type, color, and

because of the unevenness of genuine typewriting and the unvarying regularity of its imitation.

"On account of this difficulty many firms insist upon personally dictated letters, which necessarily entails a great deal of repetition, but results in each case being properly covered and the recipient of the letter knowing himself to be in receipt of a personal reply.

"A number of up-to-the-present business houses have encouraged their correspondents to adopt a modified principle of the form letter, a plan that has time-saving advantages, specifically handles each individual case and produces letters that are close to perfection in composition. This method, referred to as the form paragraph book, is simply and easily adaptable to almost any line.

"The first thing necessary is to study and analysis of one's correspondence. Watch your letters for a week or so and classify the various matters which you repeatedly take up. Owing to the variance of correspondence in each firm and its individual departments it is practical to suggest but a few of the more general divisions into which most letters may be separated.

"Letters have opening and closing paragraphs, paragraphs explaining various details, such as quoting prices, setting forth the merits of certain goods, explaining house policies, handling complaints, and so on innumera- bly, but each correspondent handling certain classes of work can readily pick out at least fifteen to thirty general matters on which he repeatedly dictates. Each of these general divisions will have more or less variations, as for instance, in opening paragraphs, to get variety one can have five or ten equally good starts.

"As a general rule the variations of each division will not exceed ten. Each division can therefore be assigned ten numbers, or twenty when necessary in individual cases. "Starts" will be assigned 0 to 9, inclusive, the next division 10 to 19, the third 20 to 29, and so on. Each paragraph under each head will be given one of

the numbers and where all the numbers are not used the remaining numbers may be held in reserve for later additions under these heads.

"Secure a good sized book with indexes on which can be written the character and key number of each divisions, as "Starts 0," "Prices 10," "Policies 20," etc. The form paragraphs, typewritten, are pasted on the right hand page and numbered 0, 1, 2, 3, or 10, 11, 12, 13, etc., in order on the right.

"When dictating you will refer to the different groups as you need them and give your stenographer the numbers of the paragraphs to use in whatever order you desire. Insert specially dictated paragraphs whenever you want. When the stenographer commences to typewrite, she will refer to the book, and copy the paragraphs in the order given according to her numbers.

"If you have a number of letters that do not require special dictation do not call the stenographer, but merely write the paragraph numbers on the letters in some understood place and hand the letters to her. If the volume of the work permits, a typist can handle all of these letters, saving the expense of a stenographer.

"The beauty of the plan, aside from time saving on your part, as you will soon get to know the paragraphs by number without referring to the book, and on your stenographer's part, for she can write better, faster and more accurately from printed work than from uncertain stenographic notes, lies in your turning out letters that handle each point in your best style, for in making up the paragraph book you can take your time and study out the best worded and most comprehensive paragraphs in your power to create. If at any time you should feel indifferent or tired, your feelings will in no wise be reflected in the correspondence, thus always assuring uniformly good letters.

"Constant improvements of the book will occur to you. The plan has been tried and has proved success-

ful. It can be modified to any desired form. It is a private secretary, a relief from monotonous repetition, a time saver and producer of good individual correspondence economically."

One should study his correspondence with a view to ascertaining just how and where printed forms can be used without detriment to his business and having ascertained this, should provide himself with these forms and use them. For two or three years I dictated to a stenographer every bit of my outgoing mail. How much of his time and my own, and how much of our energies I thus wasted I shudder to think. I wish I had it now.

Again, I plead with you to teach your clerk, stenographer or other helper how to use these forms and insist that they use them religiously in every case for which they are intended. Forms are time savers, and doubly so when you have some one else fill them out and send them.

But there is a class of form letters you should not have printed. These are requests to your correspondents for this and that, reports to your clients at well defined stages of say, a collection. You can easily compose a dozen letters that will meet a dozen classes of circumstances. These you can number or letter, as 1, 2, 3, etc., or A, B, C, etc. Your clerk or stenographer and yourself can readily identify a certain form by number or letter. You can use these. The simple designation orally or by a scratch of the pen on a letter, and you have been just as true to the facts and as true to your clients as if you had called your stenographer and laboriously dictated a letter, which, having been done so often, has become a bugbear and is put off as long as possible. This prepared form is as much your personal word to your client as if you had taken pains to dictate it anew, if, of course, it is in accordance with the facts. And you will be surprised when you investigate how really much sameness there is in the business letters

you write. I believe that in the average general law office a dozen form letters will answer half the mail, and surely fourfifths of the inquiries, while they will fit the remaining one-fifth with a word or two of change or in addition.

You will understand, will you not, that I am trying to get you to save time, to eliminate waste of effort, to get results for you by the shortest routes, and incidentally to win for you the good opinions and the further business of your clients. If, then, I have rid your table of twenty-five, forty, fifty per cent of your mail by the use on your part of a few talismanic signs, I have earned your gratitude and that of your stenographer, who has taken that old story by dictation so often that he knows it by heart.

And now I hear the reader who is a country lawyer without stenographers and clerks complaining that all this is not for him. It is, every word of it, for him. There are really very few lawyers with mail to answer who are wholly without assistants. And if there be one, all the more necessity for labor-saving schemes and devices, such as the printed form for acknowledgements, etc., and the written models for oft-recurring letters. If any man needs a scientifically arranged office that will economize time and labor, it is the country lawyer. I know this, because in the handling of a large forwarding business I found the country lawyer most prone to sins of omission—all, I fancy, because what he must do he must do himself and by hand.

Let me give you an instance of where a form letter strikes a large class of cases and where the dictation of a special letter becomes an unnecessary nuisance.

You have a claim for collection. The debtor is insolvent. He has made repeated promises to pay and has failed to do so. It will do not good to sue. You are trying to wear him out and will continue your efforts

to get the money and will advise of your successs, or will return the item when you deem it hopeless.

You have many such items of business if you are in general practice. They give you trouble from two sides. The debtor troubles you and so does the client. The client is the one you desire to serve; you want and expect to do all you can for him. He asks for a report. Your form letter meets this case as it has met scores of others and will continue to meet other scores. It need not bother you to promptly reply. Use form "A," you say, and you dismiss the matter for the time being with no ugly request lying on your desk for days, giving you tantrums every time you see it and causing you to swear "the collection business" is no work for a lawyer—and it isn't when it isn't done right.

Then there are forms that may be used at various stages of litigation, settlements of estates, etc., many of which will occur to you on a study of your own business.

But my friend says: "Oh, my business is not big enough to warrant such machinery." Believe me, but it is—just big enough. It is already proving itself too big for you. When you answer letters promptly, always acknowledge receipt of important communications, report at proper intervals your progress with matters in hand, then I believe you need nothing of the kind and that your business is not big enough for you.

The less we have to do the less promptly and the less ably we do it, and this largely explains the cause of the dissatisfaction we often hear expressed over the country lawyer, who is often the best sort of a fellow, but not harnessed up right.

Now, let us see. Up to date we have date-stamped our incoming mail, disposed, with little more than a gesture, of letters, etc., to be filed as requiring no further action on them, acknowledged receipt on printed forms of all matter that can be so acknowledged, and written answers to all letters to which our form letters are ap-

plicable—that is, we have done all this, SO FAR AS WE, THE LAWYER IN THE OFFICE, IS CONCERNED; and all in a few minutes. Then, with a clear conscience and unimpaired strength we take up the real lawyer's work of the day, while our subordinates are doing what we once laboriously did or didn't, as the notion struck us.

But let us go on talking about the lawyer's mail. It deserves full treatment, for it is one of the time consumers and wants scientific handling.

As to communications that cannot be answered at once, or do not require immediate answer, care must be taken that they do not get buried or lose themselves in the work of the morrow. Trusting to the mind calling up an item at its proper time will not work, even in an office where there is little to do. Some device must be resorted to that will work automatically; something that will signal the eye and keep on signaling until the needful thing is done—a Banquo's ghost, if you please, that will not permit the laggard or the chronic procrastinator to rest.

Many devices have been resorted to in the effort to keep things up to date in the law office. Perhaps no lawyer is attempting to do business without some form of a "tickler."

In a small office where the deferred matters are few, a calendar diary in book form or the little calendar pad may be sufficient. I would prefer the former, because with the latter the leaf for the day is usually torn off on the morrow and thrown away, while with the book form the record remains and serves for months to come as a sort of diary. I might want to know whether on a certain date I had a certain matter before me. Had I used the pad and destroyed the leaf I could not have the evidence. The book form of tickler, therefore, particularly if a note is made in connection with each memo as to how the matter was disposed of, serves a double purpose.

A file of such tickler diaries running through the years of a man's practice might prove of considerable value.

The card system is invaluable, save from the one danger of the careless use of the cards, by which valuable data may be lost. On the desk of the country lawyer a small box containing cards for each day of the year, with month guide cards, gives him right at his elbow a tickler for every single item of his business, so that he can be absolutely sure, if he is faithful in the use of it, that every matter in his office will come to his attention at some date that he has fixed as the proper date. The satisfaction arising from this knowledge that absolutely nothing can get away and that nothing demanding attention today has escaped, and that his full duty to himself and all his clients has been done, must add zest to his appetite and soundness to his sleep, if it doesn't add peace to his waking moments and shekels to his purse.

As every matter in the lawyer's office has or should have a number to designate it, these tickler cards need contain, as to the great majority of items, simply numbers. The clerk or office boy, or other help, can be trusted, on beginning the day's work, to read the tickler cards for the day, and place upon his employer's desk all files relating to matters requiring attention for the day.

It will be found, in running over the files, that some represent matters that have been settled, as having come up previous to the date; some have been affected by intervening events and can be shifted to a future date; others will be found put too early, as not having ripened, and some will be found needing the day's attention.

Where there are several departments in the office each may have its tickler system, each department proceeding in the way I have suggested. The collection department, above all others, must adopt some tickler system, as it is absolutely essential that as long as a matter

is on hand it should be in hand. So long as it is not returned to the client or not settled, it must be treated as alive and come up for attention. In no other way can a collection department continue to exist satisfactorily to its proprietor or to his clients. But the need is just as great in the departments of counsel and litigation, for here mistakes of memory are oftentimes fatal to large interests.

The card system requires little room. It is contained in small compass. The cards are usually so confined that the whole apparatus may, and should be, put into a vault or safe at night. It is a cheap device, for, once installed, cards are all that need be purchased to keep the system in operation.

Now with the mail before him, the lawyer disposes of some matters as I have shown in former pages, and as to others permitting of delay or requiring it he makes proper notes on the appropriate date cards in his "tickler" box and consigns the letters or documents to their proper files, or has new ones made, if the matters be new, and dismisses them from his mind, knowing that when the proper time comes they cannot escape him.

A roll-top desk, or a desk of any kind with many compartments, is as scarce in the modern law office as nursing bottles in an old maid's home. These desks belong to the day of high-top boots, the wood-box, the drum stove, the sawdust-filled wooden cuspidor and the unwashed windows.

The biggest and busiest lawyers work in the midst of the least muss. I remember the shock I got once years ago on entering the office of Wm. A. Way, then of Way, Walker & Morris, Pittsburgh, now Judge Way. Nothing finer in New York or Washington. Rugs, pictures, upholstered furniture—big, rich and heavy, and a desk—such a desk!—all top, so polished there was no need of a mirror and with scarcely a paper in sight. "But where do you work?" I exclaimed, "I want to see the machin-

ery." And then he took me through a door into a library, through another into a room lined with shelves where, numbered and in order, ranged file cases, and dockets, galore—everywhere order, neatness, exactness, a place for everything and everything in its place; no muss, no confusion, no lost motion and lost temper while looking for things.

We returned to his sanctum and he sat down to his elegant desk, while I ran my fingers over its surface to see if it was real. "Here's where I work," he answered, and I couldn't help feeling that work done amid such quiet, orderly, well appointed surroundings could not fail of bringing high-class results.

The secret of this firm's success, I decided, largely lay in system, thoroughness of detail, orderly arrangement, economy of energy and time, using no more and no less of either than necessary to do the work well.

I was in the office some time ago of Edward H. Brink of Cincinnati, high above the dust and din of the city. Here I found that ideal office arrangement—nothing in sight but what impressed the visitor with the owner's mastery of his surroundings. Again there was the flat-top desk, a thing of beauty it was, while close at hand was telephone, electric call bell, dictaphone and all the modern office time and labor savers, and not enough confusion in sight to fill a thimble. Yet I know, every one knows, that Brink is a busy lawyer.

Hugo Seaberg of Raton, N. M., told me the other day that for I don't know how many years he had never for a day failed to have flowers on his desk.

Well, that isn't necessary, but that's a blamed sight better than a stack of unanswered mail, a dirty blotter, four ink spots, an assortment of scraps containing memo, yesterday's newspaper and the stub of a "twofer." I would rather trust my work to a man who makes room for flowers on his desk than to the man who files his pipe with his week-old mail in a pigeon-hole, or closes

the hood of his desk every night over a mass of evidence of his lack of system, promptness and order that should send him to jail.

Now, all this elegance I speak of is not possible everywhere all the time, but the principle of the thing can be put into practice anywhere and all the time, and scientific management requires it.

You have learned the difference between the old time factory and the up-to-date modern factory—old methods of slovenliness, lack of system, loose management, waste of time and material, as compared with the new methods you see in such plants as, and there are hundreds of them, the Kodak plant at Rochester, the Postum Cereal plant at Battle Creek, the Schlitz Brewery at Milwaukee, the Curtis Publishing plant in New York, the National Cash Register plant at Dayton.

Well, your office is a work shop. You are turning out a product. Factory people know that if you want the best out of people you must surround them with the most favorable and happy conditions; so there is cleanliness, sanitation, fresh air, flowers, gardens, rest-rooms, pictures, even music and entertainment furnished. Yet you think you can do your best work in a dingy office, with bad ventilation, ill-smelling lavatory, unwashed windows, dusty books and furniture, unkempt desk, unsightly walls and furnishings. You can't do it. You are as human as that factory hand and your product is bound to be as common-place amid such conditions as your surroundings are, just as the insect takes color from the flowers it inhabits and feeds upon.

You cannot make your office too pleasant. You fear your clients may object and hold you too prosperous? The man isn't born that does not feel flattered to be able to deal on equal terms with a gentleman. For every man who affects a sneer a score will take note of the evident prosperity, and somehow or other prosperity has a way of begetting itself. The first thing a man to

do if he would be prosperous is to feel and seem and appear prosperous. This invites prosperity.

There are men who will not shine their shoes for fear a client may take offense. The men, slaves to the worst in men about them, soon become worse than the men they fear, since they know better.

Men generally are after good work, work that is well, cheerfully and promptly done. They cannot get it out of third-class men, nor amid third-class surroundings. This they know instinctively.

A law office should have an air of business and not look like a smoking or lounging room! it should be comfortable, but not so comfortable that callers make themselves nuisances by their too frequent and too long continued visits. A law office can be even elegant without being a lotus bower.

A first-class business man knows, almost by instinct, how to get at the essence of a caller's business and get rid of him without doing violence to the rules of politeness or hurting his feelings. Great financiers, great captains of industry, great soldiers, great lawyers, are known by this quality, among others. If this does not come naturally to you I would suggest that you cultivate it, for one of the first things aimed at in scientific management is getting the most out of time; and the most cannot be gotten from time when it is being spent beating about the bush or loafing around a subject.

Many a man leaves his office at night remarking, "Well, I don't know what I have done today. I seem to have been busy, but I haven't accomplished much."

The cause would probably not be hard to find. A lot of time has been spent dawdling. One is not necessarily reaching some place because he is moving; he may have the St. Vitus dance.

And the worst of it is that this habit of killing time on the part of the lawyer is usually not recognized by

him as a habit. He doesn't know he is sinning; he actually thinks he is busy.

And another bad feature of the case lies in the example, for every one in the office quickly drops into the time killing habit from seeing it so successfully worked before his eyes. Show me a lawyer who flirts with his work and I'll show you a clerk who calls the telephone girl by her first name, a stenographer who chews gum and watches the clock and an office boy who snores in seven languages.

Now let me see. How do you receive your guest? For the manner of his entrance will much determine the manner of his departure. I see you motion him to a chair, put down your books and papers, stretch your legs, perhaps light a cigar, first handing him one; you lead in the conversation and you talk so much and so far afield that the caller, who may have had to screw his courage up to the acting point before he decided to see a lawyer has lost courage or for some reason changed his mind.

Now, don't think this is a fanciful situation. Many a man going to a dentist to have a tooth pulled has changed his mind before he got into the chair through some interruption that carried him beyond the psychological moment.

And many a law case has gone unstated because courage or determination or whim failed during the wordy preamble over politics, the weather, the crops; or the lawyer has made the interview so pleasant that the client forgets what was troubling him.

When you tip back in your chair, elevate your feet, and begin asking about the family, its a sign the coast is clear for a long run with the wind, and you can bet the caller will take your rocking chair and light up.

Rocking chair, did I say? In a law office? Pray at what hour do you do your knitting? And I have even

seen a couch, and, Heaven forgive me, a parlor sofa in a law office.

You perhaps think you are making your caller (your prospective client, maybe) feel at home by your air of genial, carefree, stay-all-the-afternoon-and-come-up-to-the-house-to-dinner manner, and that under the influence of this he will divulge the easier. Nay, not so. Under this influence he will probably suffer a lapse of memory or remorse of conscience and decide within himself to think it over and come again, telling you just a little this time. If, however, you receive your caller as a business man, his resolution that has brought him thus far is strengthened, and, in the heat of the telling, you get it all—perhaps more than he intended. You listen with the air of a business man. You are all eyes and ears for his story, and you let no irrelevances, such as weather, crops and babies turn the current of the tale. You may have been long and cordial friends, but now in your office you are the lawyer and he is the client. Social and clubhouse amenities are not in place now.

When your client goes away after such an interview he doesn't recall it as a social but as a business affair, and for the latter he is much readier to pay. Then, too, he has got the notion you are a busy man, and that is something.

The very arrangement of your office furniture—particularly your desk and chair may invite or discourage familiar, time-killing discourse. If when your client comes in you leave your desk and you both sit in easy chairs in positions such as you would assume over the wine and walnuts, or the after-dinner coffee in the smoking room, you are bound to consume time needlessly.

I once sat for a good part of an hour cooling my heels waiting for a signal to come into the office of a member of a busy law firm, who was entertaining clients, and when I did get in I found the air filled with tobacco smoke, ashes covering a handsome carpet and the lawyer

himself so dull and headachy that, instead of broaching business, I insisted on lunch and the open air for the two of us.

It was only after a good two hours he revived and was something of his real self. That lawyer had no business wrecking himself for part of a day in order to be social. But for those cigars smoked in a stuffy office, dulling sense and vision and moral perception, the interview had been shortened by half, I am quite sure. I am a smoker myself, but the rule of no smoking in the office can be and ought to be lived up to by the lawyer for this reason, if no other, that it is and always will be an invitation to sociability—and a law office is for something else.

I find in my office that having my desk so placed that when a caller is talking to me I must turn about in my chair to see him is bad for several reasons. I can not, in the first place, do with my hands the little tricks that indicate plainly that a close of the interview is desired. I can of course turn to my desk and show my back, but that would be downright rudeness. Then, too, I cannot prevent some men from looking over my shoulder and sizing up my work, even reading my mail, and I have had them so familiar as to throw one leg fondly over the corner of my desk nearest me and handle my papers while talking. Then, too, I have no protection, in case of physical force coming in in my direction, which happened once in my career.

Then, too, I am too much disposed to rise when the caller comes and to take another seat which, as I have said, is often translated as an invitation to stay to tea. Also, people entering my room in my absence find it entirely too easy to make free with my chair, desk and papers.

These and other reasons led me long ago to run my desk across a corner and set up my throne in the result-

ing triangle, with my face towards the middle of the room and commanding the entrances.

Now I face the enemy. No one, friend or foe, can take advantage of me, and I have always been more fearful of friends than foes.

When a caller approaches I need but to rise, extend my hand across the polished surface of my mahogany, and bid him be seated opposite me, where all my papers are upside down to him, where I can finger pencil, pen and paper and yet look him straight in the face, where I am not tempted to leave my seat for a free and easy, and where in any one of a thousand ways I can indicate my desire to save time, his and mine, without being rude or too direct. He cannot draw his chair up close to mine or sit in my lap, a failing with some people—not ladies only—nor can I elevate my feet above my brains without putting them out of the window or covering my desk with them. In other words, I have scientifically arranged myself and my office for work, and in so doing am saving time, money, worry, work and weariness of flesh and spirit.

I have yet to find a law office provided with a proper waiting room and approach. In some of the best appointed offices in Chicago and elsewhere I have been doomed to wait my turn in a dark passageway, a mere closet within the door, a little pen outside a low railing, with nothing to do but think and nothing to see but two flies, a cockroach and the office boy; or I am told to sit in a big room where I can be ogled and criticized by a lot of female help.

Why it is I do not know, but whenever I am planted in a batch of typewriter girls I get nervous. Believe me, I will have to want a divorce or something else mighty hard to again sit out a half hour in at least one law office I know. I am sure I was the subject of clandestine remarks from a battery of blondes and blondines for the full thirty minutes that I waited in that office.

I would rather sit in the ante-room of a dentist's office waiting to have my mouth filled with hot mortar than in such a waiting room as I have just referred to. There may be others in the dentist's forecourt, but the others have their own business to attend to and they look it, while the average typewriter girl in the forecourt of the women in some low offices has no business to attend to, that is, while I am there—and the worst of it is I can't help it.

Just as sure as I take my seat in one of these typewriter beauty parlors provided for the entertainment of the guests, the whole force begins to show off. There were six of these in my last rendezvous. I had an hour's wait. I could have broken away, but the lawyer really wanted to see me and to see me impressed—and he did and I was. While I sat seemingly dozing, one girl made faces at her machine—it was acting up, and she, not be outdone by a mere machine, was doing the same. She asked another girl to go to the phone and call a typewriter man, which gave the other girl a chance to talk funny through the phone for the benefit of all. Another girl giggled the hour through over sotto-voce remarks from her vis-a-vis, all the time smashing the keys and chewing gum and twice tearing up the sheet she had written with a "Say, but ain't that the limit" air, while a fifth girl got up from her machine four times and went out—what for I don't know; I didn't follow. The sixth girl was foolish enough to work.

Now, I want to know why it is necessary to hide all the beauty and brains of the office behind closed doors, and put out on the parapet the frowsy headed gum-chewers and boy-struck time-killers that all the world may know that here at least is lack of management, lack of system, waste, waste, waste.

Does any one think this display of "help" makes an impression? If he does, he is right—and the impression is bad.

Don't you know that every time a door opened every one of those six girls lifted their eyes and stared, and when two men entered and stood chatting all but two stopped work and listened? Honest, they did. I was keeping tab. I have a way of doing that. It's part of my business. In this room was a general telephone. And every time it rang six pairs of hands stood suspended in mid-air, for, goodness knows, it might be Charlie.

When my lawyer friend came from his office and, dismissing his lady client, turned to me with a familiar greeting, and I replied in kind, I felt that six people could testify, if need be in the future, to not only the warmth but the exact phraseology of his welcome and my response.

I almost wonder that it is necessary for me to insist that such machinery of the office be put out of sight—not only for the sake of the visitor, but for the sake of the office and the help itself. It is like going to a man's house to dinner and being made to sit in the kitchen among the pots and skillets, talking to the cook and dishwasher and smelling the grease until the feast is ready and the host appears to welcome you in.

I am no slave-driver and never was. I believe in making things pleasant for the office help. But why make a reception and entertainment committee of them? No, put them out of sight where their play may not be hindered by phones and visitors and such untoward things.

On entering the office to which I referred I desired to make inquiry for a particular member of the firm. No one came forward to meet me. No one inquired whom I wished to see, or sought to know my errand. Had I been other than I was, I might have been embarrassed, for six pairs of eyes looked in my direction but to this composite twelve-eyed stare I bravely made known my requests, upon which, I tell the truth, the six went into executive session and discussed the three-

fold question: If Mr. B. in? If he is, is he engaged? Now, isn't it a fact that he just went out? The weight of opinion being in favor of the ins I was asked by one, a star-eyed nymph, to take a seat, while another in a dinky little apron and a dimple disappeared in the direction of the law dispensary, to return shortly with a request to wait; which I did. All of which leads me to say:

Every law office should have a suitable waiting room which should not be the workroom nor in sight of it. Some one should be stationed in or near this room who is polite of speech and manner, neat of dress, attentive to business and acquainted with office conditions. If a visitor must wait, he should be accommodated with a comfortable seat and something to read or help fill his time. More than once, when I have finally gained entrance to a busy office, I have spent all my spare time in waiting, and I am vexed, hurried and determined not to come again, whereas if my stay had been made comfortable and easy the time would have slipped by quickly and my patience would have still been intact.

I have not borne down very hard on the labor and time-saving feature of this divorce of the workroom from the waiting room. I have had most to say of its impression on the visitor. I do not know which feature is most important. In all well regulated, modern business offices where experts figure on timesaving and the getting the best out of men and material, you will find the order I have described as existing in some law offices exactly reversed—and it should be, from the standpoint of economy, aesthetics and scientific management.

Every employe of the office from the head clerk to the office boy should be inspired at all times to do his best and be impressed at the same time with the idea that the success of the business depends on him.

The employer, realizing the necessity of enthusiasm and earnestness in himself, if he is to make the business

grow and pay profits, should also know that enthusiasm and earnestness are infectious. Let the employer shirk, and the employees will do likewise. Let him dose or put his feet on his desk and the minute his back is turned his employees will do the same. Let him do his work slipshod and be overheard saying "what's the odds, so it is done," or let him permit his work to accumulate, or let him slight difficult things for easy ones, and every mother's son and daughter in the office will learn the trick.

On the other hand if the lawyer is particular, painstaking, exacting, prompt, resourceful, industrious, he will find his employees, or those who come in contact with him, unconsciously copying his manners and methods.

My first experience in a law office was a clerk with a firm of Cincinnati lawyers. The senior of the firm was a whirlwind for work. He entered the office in the morning like a shot out of a gun. Hardly had he snapped "Good morning" and before his hat was on the hook, he had given everybody in the office something to do and as quick as the order came it was being carried out. The first day I was in the office I noticed a disposition on the part of everyone to get things done, to push work; and to push it fast. I soon saw the reason; and in a few weeks I got the hustle in my own somewhat sluggish blood. It was all because we had a pace-maker in the senior partner and felt it incumbent on us to keep up.

Many a man wonders why his office drags; why an air of manana pervades it; why there is not the aroma of accomplishment about it. Why work is always in the doing and things are not cleaned up. The chances are ten to one the fault is in himself.

Many a man of phlegmatic temperament never sees the trouble in himself or others. There is no hope for such an office, unless someone happens along and is

given charge who possesses the temperament that will not brook dawdling and delays.

Some men are busy on occasions. They let work accumulate and some day under the inspiration of necessity of a guilty conscience, they suddenly descend on that pile of work like a pile driver and after hours of heroic effort it is done—late, but done.

This sort of an example in the office is responsible for unanswered letters, unfinished documents, and troublesome tasks tucked away out of sight in the employees' desks to be taken up, as the boss takes his up, when the spirit moves, and not till then.

The best training employees get is that which they catch, as they might the measles, from their superiors. And as human nature is Adam-bent, the worst things are easiest and quickest copied.

If you want to know that your help will not soldier on you when your back is turned, let them see that you never soldier on them or on your clients and correspondents. Mark you, for every neglect you are guilty of they will chalk up another against the office.

A good question for the employer to ask himself is this: Am I doing for myself what I would want another to do for me if he had my job. I imagine a hundred times a day he would say no.

I do not believe in scolding employees. I believe in the efficacy of good example and of kindness. If these do not effect anything on a particular case, I find a way to get rid of the employee.

Care should be taken that all parts of the office are working in harmony. Discord, jealousy, suspicion, tale-bearing, underhand meanness should be rooted out at all cost. No machine works well where the bearings are untrue, where the parts do not properly dovetail, where there is friction. Fix the thing if you have to stop all the wheels. Call the people before you and have it out with them. Get at the root of the evil. If

there is a trouble-maker in camp let him go—make him go. Get harmony at all costs, for a lack of it spoils efficient work, takes pep out of the day, makes people unhappy; and unhappy people do not do good work.

Surround yourself with agreeable people—people agreeable to you, to one another, and to the visitor. Make the office not a social gathering but a cheerful, helpful place where not only the employees are inspired to do their best themselves but to help others do their best and where visitors feel in a friendly atmosphere and at ease.

I am reminded of one office it used to be necessary for me to visit occasionally. Invariably I was met by the same person—a dame of serious mien, who never knew my name and who thought she had done her whole duty of she said, "Take a seat, Mr. A. is busy. He will be through shortly." The first few times, I took the seat; it was outside a railing, where I felt like a criminal in the dock, while the aforesaid dame proceeded to forget me and where I could overhear my man talking baseball or politics to someone within. The office force was absolutely oblivious to my predicament. No polite expression of regret that I must continue to wait, or could I make another appointment to meet Mr. A. or might I not wish to see someone else, or might I not like to see the morning newspaper. I was made to feel like I do when I sit in the ante-room of the dentist's office with the toothache, waiting while I hear the harmless gossip from the private room. I hate everybody about the place, unless the little girl with the white apron smiles and says, "I am sorry you have to wait, I think the doctor will be through in a moment." Then I thank God there is a human being in the place.

After a while I ceased going to my lawyer friend's office and he asked me once why I never visited him any more. I said I couldn't stand the ordeal and that if he

would agree to employ a human being to meet me and make me feel welcome I would agree to try again.

I once, years ago, visited J. H. Hubbell of the Hubbell Legal Directory Company in his office in New York. The first thing he did when I entered the room was to go the whole length of his room to the office safe and lock it. Then he greeted me. It was an involuntary act on his part and when I spoke of it and assured him I had no designs on his life or property, he laughed confusedly and showed plainly it was a totally unconscious act, so far as it related to me. Well, I do not like to enter an office and feel that I must be very careful not to disturb some one, or that I am liable to steal a hat or commit murder. I want to feel, the moment I enter, a consciousness that I am in a genial, friendly atmosphere.

This leads me to urge that everyone who enters the office door should be made to know that whatever his business he will be given courteous treatment. Even a beggar or a book agent can leave your office, though without a red sou of your money, feeling a little better from having been there.

Nothing ever pleases me so much as to have a man tell me, and it often happens, that he enjoys coming to my office; that there is a sense of welcome about it; that there is cordiality in the atmosphere. He can not compliment me more.

I think it quite necessary that every visitor who comes sees some one in authority—not merely a door-attendant or an office-boy. Angels have been known to make visits in very homely guise. Every man, woman and child is a possible patron of the office. The poor debtor who comes to pay a dollar installment on an account is no exception. To lead him up to a barred window through which he passes his dollar and gets his receipt with no word of human kindness, and God knows he may need it, is to deliberately miss the chance to

make a friend—and a friend is a friend, however lowly, and sometimes the lowlier they are the better friends they are; and to make a friend may be to make that friend or that friend's friend a client. I have seen it happen time and again.

There should be someone to say, "Well, Mr. Smith, you came around all right. I knew you would. Hope things are getting better with you. Keep a stiff upper lip." This or something else with a good honest ring to it sends that man away eternally yours, both to keep on paying you and to do you a favor when he can.

I do not insist that this sort of work must necessarily fall to a busy member of the firm, but there should be someone whom I will call the "official jollier," for want of a better title, whose duty it shall be to see that nobody leaves the office without the impression that he has been dealing with something more than a machine.

RECEIVING.

Mr. William Harrison Smith of J. Howard Reber's office in Philadelphia, one of the most efficient offices in the country, writes of an office system employed by him as follows:

First, every single item of business as received in the mail, by personal call of clients or through your own personal representatives, should be carefully scrutinized by the member of your office force or firm who is at the head—the chief. He can pass on the same, decide as to the particular necessity, either attend to it or pass along to the individual who is to become immediately and directly responsible to the chief for the conduct of the particular case. This for the large offices which have many employees.

Have a printed formal acknowledgement, and an acknowledgement only. Don't try to have a printed report and check of various items, such as "Suit advised," "\$5.00 costs should be advanced," "Have collected be-

fore," etc., etc. The weakness of such a form is too obvious for further comment. Send out your plain and simple acknowledgement, by postal card if you prefer, but my preference is under a sealed envelope, and follow up as speedily as possible by your first report. Don't force your clients to inquire, not in the first instance in any event. That is hardly excusable. After a case has been pending for some time, an inquiry may be expected, but never at the outset.

You have your claim, and you have acknowledged it. Let's get into our office system, to follow up and keep friendly and close to it until we close it up and earn our fee and satisfy our client. The very first thing is to examine our defendant's card index and see if we have any other claims against the debtor. If so, the card, which is ruled for eight names and bears a heading, "Name," with a blank, followed by "Address (Town)," and is also ruled vertically, the headings being as follows: "Number," "Date," "Amount," "Creditor," "Local Address," "Disposition," "Date," is taken out of the file and placed with the claim so that it may be properly recorded thereon. If we find no previous card against the defendant, of course a card is made out. "Number" refers to the number which is given each claim as it is received in the office. "Date" is the date of the receipt of the particular item. "Amount" is the amount of that claim. "Creditor" refers to the creditor's name, which is given as fully as possible, also the local address of the creditor. "Disposition" refers to the final disposition of the claim, as "Returned," "Paid in full," "Dividend," etc., and the date when the matter is closed.

This information is for our general file so that we may be readily informed after a folder is passed into our old closed files.

Next, client's card is taken out and added to our collection. Client's card is likewise headed "Name" and "Address," with cross-rulings headed "Date" and "Num-

ber," and accommodates thirty-two claims on each card. We merely give the date of the receipt of the claim and stamp the number of the particular claim at the time we stamp the defendant's card and all other cards and papers, together with the folder.

After we have our defendant's card and our plaintiff's card we then make up our folder, which is quite simple to us, but is rather difficult to explain in the few words allotted to us. We show on the front of the folder virtually all of the information possible. On the upper upper edge we have the numerals 1 to 31, which is our diary. We use Smith Steel Signals.

We follow with the number of the claim, defendant's name and address, plaintiff's name and address, and have a blank for insertion of the name of the party from whom the item was received—that is, the attorney or agency. Below we have blanks for a description of the particular item—that is, "Draft," "Item. Account," "Statement;" next, a blank for the amount of the claim, and blank costs expended—that is, advanced to attorney or paid out in cash for court costs in this county. Below, we have a blank for general information and particulars of suit, also a blank for reference—that is, to permit the insertion of the name of the person handling the case. There is also blank for transfer number, so that when the folder becomes unwieldy we can make a new folder and transfer the old cumbersome folder to our closed files.

We have a form following substantially the same general style for our country folder, except that we have blanks for banks and for attorneys, and also subdivisions with vertical rulings headed by the names of the different Lists; otherwise the front of the folder is practically the same.

The inside of the front of the folder is ruled with our ledger ruling and enables us to make a cash transaction of all our collection accounts. We have backed up

the front to enable us to tear the front from the folder, retain it for our records and destroy the balance of the folder and the useless, worthless papers, after the lapse of a reasonable length of time, say two or three years.

We fasten all our papers in this folder with a Magill fastener. Until about a year ago we pressed the fastener through the back of the folder, but we experienced considerable difficulty through tearing our folders in pulling them in and out of files, and in consequence we had a small, gummed, circular sticker made, with a one-eighth inch perforation. We have found this "plaster" works very nicely. It is a great convenience and does not materially add to the expense, as we have them made in large quantities and they only cost a few cents a hundred.

Now we have our claim acknowledged, our defendant's card made up, our claim recorded on client's card, our diary clip on our folder. We then record all of our daily claims on one sheet. This sheet is headed as follows: "Number" (our claims are all recorded in numerical order), "List" (so that we can give the List from which we receive the business proper credit), "Attorney" (so that we can readily trace any matter if there is any necessity), "Plaintiff," "Defendant," "Amount of Claim." A separate list is made up for each day's business, and we carry them along for about a month in our current file and then bind permanently.

We have now completed all of our preliminary work and are prepared to file our claim. We use, as a matter of convenience and safety, vertical steel filing cases. Now, please let our system carry the load, and don't worry lest it break down and something go astray. If the system won't carry the load, get a system built that will. The system we have will work in single or double harness and carry a large or a small load, and is adapted to a large or a small business.

FORWARDING.

We have a separate attorney's index by states and towns, and the card is substantially as follows:

Ruled to permit names of two attorneys on each card. The main heading is for "Town" and "State," and immediately thereunder the heading "Attorney" and "County." The space for second attorney merely allows for the name of the attorney, the town and state being previously shown. The card is also vertically ruled and each attorney's subdivision allows spaces for thirty-five claims—seven rows and five in each row. We merely insert the number of the claim in these blanks and absolutely nothing else. On the right hand end of the card we also have other vertical rulings and headings, giving the names of various lists we actively use, such as American Lawyers', Martindale, Mercantile Adjuster, National, etc., and we check the particular column as a claim is sent out over that list.

In forwarding claims we get out our attorney's card for each separate claim, noting the number of the claim on the attorney's card and nothing else, and then file again. We record on the folder, in the appropriate spaces, the date and the name and address of the attorney and check the list—that is, the Law List. This is on the front of our folder, at the same time making up our attorney's letter of commitment, which is as follows:

Philadelphia-----

PLEASE QUOTE THIS NUMBER:

Dear Sir: We herewith enclose for immediate attention Claim----- vs. -----
Amount-----

Please give this your immediate attention, acknowledging receipt, and report condition and prospects for recovery with promptness.

If claim is collectible, kindly return at once, with

full report, giving reasons. Should you represent the debtor, or, for any reason find it impossible to give prompt attention, return claim IMMEDIATELY. If suit is deemed advisable, give reasons for such action, likely ultimate result and amount required for ACTUAL costs. DO NOT, however, commence proceedings until authorized.

You are to retain as your compensation two-thirds (2-3) commission as follows:

50 per cent on accounts \$10.00 or less, 15 per cent on first \$300, 8 per cent on excess of \$300 to \$1,000, 4 per cent on excess of \$1,000; claims \$10 and under, minimum fee, \$5; no fee to be more than one-half the claim.

This claim is sent on the schedule of rates approved by the COMMERCIAL LAW LEAGUE OF AMERICA.

Absolutely no commission allowed except on collection or settlement as a result of action. If paid direct after presentation, you will be protected.

If these terms are not satisfactory, kindly return at once. If retained, it will signify your acceptance of the same. We can make no allowance for increased compensation unless specially arranged before any action is taken.

Yours respectfully,

This claim is sent over the-----List.

Our folder having been completed, and our form of commitment made up, we then secure any valuable papers—and we keep all valuable papers filed, under claim number, numerically, in safe—and if no special supplemental letter is required, the letter of commitment, claim and all documents, are passed along to the mailing clerk. When a special letter is necessary, the forwarding clerk passes the folder and all data to the particular individual handling the matter, for letter of explanation and instruction to attorney. This letter is written, and back into the system goes the folder, to

resume the grind, in and out, with diaries and letters, until finally paid or closed.

At this time it is appropriate to state that we keep a daily sheet, showing the number of claims forwarded over each list each day. This enables us to determine immediately, any day in the month, just how many claims we have forwarded, and how the business has been distributed. We forwarders appreciate the fact, or at least many of us do, that we must satisfy our lists, hence this sheet, which enables us to keep our hand on the pulse of the business and see that each list gets its proper share, and, if possible, more. This form is very simple. It is headed with the names of different lists, which, as a matter of convenience, and for personal reasons also, we now designate by number, as 1, 2, 3, 4, etc. Down the left hand margin we merely show the days of the month, 1 to 31, and at the right of the List columns we have a column showing the total number of claims forwarded over all lists each day in the month, and, at the extreme right, another column giving the total number of claims received each day from all sources.

SUGGESTIONS

Do not return claims that are sent you on unsatisfactory terms until you have notified the sender as to your requirements, advising him in doing so that no work will be done on the claim until you receive his answer. Return the claim if he fails to accede to your terms.

Do not, on receipt of business sent you on unsatisfactory terms, acknowledge receipt of the business saying that you will not accept the business on the terms offered but on certain terms that you make, and then proceed to do the business; but rather make your complaint as to the terms and state on what terms you will do the business and await instructions, for if you proceed to do the business without an understanding

as to the terms you will be in no position to insist upon your terms and not those of the forwarder.

Accept no business on the contingent fee basis that requires work of a strictly legal nature.

If the condition of a claim changes when in your hands, so as to make it necessary to bring legal action, do not proceed without first advising the sender of the change in conditions and the consequent change in terms.

Where a claim proves more difficult than usual, as where it must be collected on the instalment plan and your work must run over some period of time, requiring periodical attention, get an arrangement with the sender of the claim for a better fee and do not wait until after the work is accomplished before asking for it.

Make a rule of acknowledging receipt of items of business and taking steps to do the work required at once on receipt of same, as your doing so will often save a fee in cases where matters are settled direct.

Read carefully what is said in forwarding letters or blanks accompanying business sent you, as this will often save you a fee, and will often also permit you to save your self-respect.

Refuse all business sent on inadequate fees, or generally speaking fees less than those recommended by the **Commercial Law League of America** at its 1917 convention, and do not become possessed with the idea that by refusing a piece of business sent at low rates you are possibly losing a valued client; the risk you run is very slight.

Always remember that the client is in a better state of mind to allow you extra compensation and extra liberal terms before the work is entered on than he is after the work is accomplished.

Unless you have tried it, you will be surprised to learn how easy it is to obtain more favorable terms

than originally offered you, in case of a matter of unusual difficulty. Most men are reasonable.

When a matter passes from the stage of a simple collection to a law suit, be sure to have an understanding with your client or the forwarder that the fee must be paid in the court proceedings whether you are successful or not; otherwise, there is the danger of a controversy as to whether you are entitled to a fee in case of failure.

Many attorneys have undertaken to make reports on all claims periodically, as for instance once a month or once a quarter; but this is a useless waste of effort and money. Far better is it to report promptly upon request for report and to so tickle every item of business in the office that a report will go at an appropriate interval on every matter, without a request for it.

Do not complain of a client or forwarder asking a report from you on a matter placed in your hands, no matter how unreasonable the request, as you view it. The matter is his, not yours, and as long as it is in your hands he has a right to know, at any time he may desire, what progress is being made with it.

Promptly, on the continuance of cases from court term to court term or the going over of a case from one term to another, notify the client, as the chances are he has made note of the fact that his case is to come up at a certain term of court and he will be inquiring as to the disposition of it in due time, an inquiry which it will pay you to forestall.

Particular attention should be given by lawyers to reporting to their clients where they make a promise or set a date in the future when something is expected to happen. The client or forwarder nowadays is sure to make note of this date on his office diary and, if the lawyer does not report on or about this time, he is sure to obtain a request for report. His report without such request makes a fine impression on the client, and the

report should be made whether there is anything favorable to say or not.

Make a point of answering every request for report, no matter how foolish the request may seem to you and how uncalled for, since by so doing you will lessen the number of subsequent requests, as when a first request is answered it is not necessary that a second and third be asked at once, and it is this second and third that gives the impression that you are being annoyed by clients asking for reports.

Practice brevity of expression in reporting, and in letter writing generally, since many a lawyer has lost clients and business connections by imposing too much on good nature in expecting them to read volumes where pages would be sufficient, or read pages where sentences would do.

In making reports on matters in which you advise suit, do not simply say that you advise suit but give facts on which you base your advice, as forwarders generally are "wise to the fact" that many attorneys advise suit simply for the few dollars there is in the putting of the matter into judgment, or for what they can save out of the "advanced costs."

Treat the smallest matter in your office with the same consideration that you treat the largest matter. It is entitled to good treatment as long as it is an item of business on your books. When you are through with the item of business return it.

Do not make expenses to your client that are not warranted by his instructions, as for instance paying your transportation to a neighboring town, where you have not been directed to make the trip, it being possible in all cases, excepting very unusual ones, to communicate with your client and get his permission to make expense.

In dealing with agencies be certain that the agency sending you the business is a general agency and not a house agency, as only general agencies are entitled to a division of fees, it being assumed all the time that a division of fees is proper.

Where you are in doubt as to whether the agency is a house agency or not, consult the Secretary of the **Commercial Law League of America** before remitting.

☞ If the Secretary of the **Commercial Law League of America** cannot inform you as to the facts regarding the agency's character, remit, retaining the whole fee and let the agency produce evidence of its right to a rebate.

If a forwarder sends business without requiring a division of fees, do not allow the division unless it is afterwards asked and evidence is given of the forwarder's right to it.

Where you have received business from an agency that you thought was a general agency and that in its forwarding blank required a division of fees, and you accomplished the work, and before remitting you learned that the agency was a house agency, the better practice is to abide by the contract of employment, noting the fact, however, that the agency was not entitled to the division, in order to be put on your guard the next time you are employed.

Another way of determining whether or not the agency or attorney is a house agency or house attorney and not entitled to a fee, is by examining the checks sent to such agencies, on their being returned to you, to discover whether or not these checks were turned over to the reputed clients and cashed by them or whether they were cashed by the agency itself. As a rule, the house agency, being a department of the business of the merchant or manufacturer, turns over checks

and drafts received by it directly to the bookkeeper or cashier of the reputed client, after being endorsed by the agency, showing that no part thereof has been retained by the agency, which it would be entitled to retain were the agency doing a business permitting it to charge the client for its portion of the remittance and retain the charge on remitting, which is the usual method.

Another method of determining whether the agency is a house agency is by a study of the wording of the letter of transmittal of the claim, and the terms given; for it will be found that usually where the terms given are as high as twenty-five, forty or fifty per cent the agency is not acting as an independent agency but is acting as the client itself, since general agencies do not make a rule of sending out business on these fees, even when these fees are allowed to them by the clients, until they have tried the attorneys on a low scale.

Do not, in accounting for the proceeds of a collection or a suit, deduct therefrom the costs, expenses or fees in some other matter. If you are in doubt as to whether they are going to be paid you, notify the client that you have his money in hand and ask for the privilege of retaining what is due you in both matters. If the client refuses, you are then in position to, in a measure, protect yourself.

Account to the client for the attorneys' fees provided for in a judgment, since the reason for the adjudging of costs and fees as against the defendant is not to reimburse the lawyer but to reimburse the client. In billing to the client, the fact of his receiving a judgment for attorneys' fees the defendant has had to pay may be taken into consideration in making the charge.

Report to your clients promptly, on the taking of a judgment, as to the court, the date, the amount of the

judgment, and the prospects of collection by execution, or what further steps you deem necessary, if any, and by so doing, favorably impress the client who is not accustomed to getting this information excepting after many inquiries or much delay.

Get the habit of charging fees and not doing work gratis, and the further habit of collecting fees promptly and thus making your clients know that your services are considered by you to be of value.

Where convenient or possible, without too much waste of time and effort, make payment of collection returns to your client in person, or by a representative capable of talking business, as the presentation of a check in person usually awakens memories of other checks the client needs, and which you may possibly assist him in getting.

Do not adopt the tabulated form of printed report, by which is meant expressions such as "dead," "outlawed," "in bankruptcy," etc., in print, which in reporting you appropriately check mark, since this sort of a report does not bring you into that personal touch with your client that you require in order to keep him in close sympathy with you and your work.

Write your report on a worthless item just as if your obtaining of a client depended upon the kind of a report you were making on this particular piece of business.

Never make the mistake of reporting on several matters in one letter. If you have a filing system of your own you know the trouble that such a conglomerate report makes. The fact that you make such a report would seem to indicate that you yourself have no adequate system of filing.

Never return a worthless item with simply the statement that it is worthless or some expression that is

intended to convey a whole story in a word or two; for you will be judged just as much by your report on a poor piece of business as you are judged by a report on a good piece of business.

Remember that a piece of business returned promptly with a full report as to its hopelessness is a better advertisement of your efficiency than is a worthless piece of business retained unreported on from month to month, bringing needless labor to all parties.

In making charge for the taking of property in payment of a claim, do not base your fees upon the usual fee schedule, but charge what your time and service were worth considering the results you obtained, since the measure of the value of the goods reclaimed is not always the face value of their cost as charged to the debtor, and your labor may be disproportionate to the money value of the goods.

Collect all fees on paid-direct claims at once on your learning of their being so paid and in case of the failure of the client or forwarder to pay the fee, advise the Secretary of **The Commercial Law League of America**.

Distinguish between fees and costs, and let your clients know that you so distinguish; and in your request for advanced charges, be sure to state the purpose for which the money is asked, either as an advance for costs and expenses or partly for costs and partly for compensation. Your honesty in this particular will have its reward.

In making settlements, give an itemized statement of fees, costs, and expenses, as the businesslike appearance of such a statement impresses the client with your honesty and your business capacity; the lumping of the charge always leads to suspicion.

Remit promptly all moneys collected, and make your remittances as often as possible where the amount is

collected in installments, as every time you send your client a check you are favorably impressing him.

Make no commercial reports for concerns that are not well known to you as honestly endeavoring to compensate attorneys making such reports, in the way of good business or money.

When a commercial report is asked for, no matter by whom it is asked, get your money for it in advance and do not send the report with a bill; this does not apply to well-known agencies and forwarders who have a well-earned reputation for furnishing business to their attorneys who report for them.

If you are in a small community where there are not over a dozen or a score of commercial attorneys make an arrangement with them from time to time by which all can co-operate in furnishing, each to the other, the names of parties asking for free reports and the names of parties on whom reports are being asked, by which means the lawyers of your town can readily discover what concerns are imposing on the lawyers by asking reports on one and the same individual from a number of attorneys at the same time, and promising to each that in consideration of their making the reports they will get what business the inquirer has in that town or locality.

If you make commercial reports at all, keep carbon copies of all that are made and have a system of filing, properly indexed, so that further calls for reports on individuals once reported on can be made with little trouble. Many commercial attorneys have complete files on the merchants of their towns so that they can do commercial reporting with a small outlay of time and expense, and these reports, thus indexed, filed and readily accessible, become an asset to the business, which, if it is ever offered in the market for sale, is of real value

and often is the only tangible property a lawyer has to sell.

If you do reporting at all, do it right. A slovenly report is worse than none at all in its reflex effect on the lawyer making it.

Buy representation where you can do so at a reasonable price with all of the best law lists and directories, and under no consideration accept representation even when offered free in the worthless class, as representation in these is liable to do you more harm than good, and your name will be used by publishers of these lists to induce others to pay money; and by this means you are doing them a direct injury and keeping alive worthless enterprises.

The getting of the business of most of the leading agencies means the getting of representation in the right law lists, since most of the leading agencies use some favorite law list, though here and there an agency has its own attorney representatives that have handled its business for years and become so well known to the agencies that use them that no matter what lists are used they favor these particular attorneys where they have business in their localities; as a rule, however, the lists are so active in their soliciting business from the leading forwarders (and so often is it made an object to the agencies to use certain lists) that the agency list of special representatives is of minor importance.

Do not pay to a law list more for representation than your fellow lawyers in the same city are paying, with a view to obtaining some advantage over them in the way of the position of your name in their list or some other special inducement.

Do not permit a law list solicitor to obtain money from you on the statement that while he cannot sell you representation in his list by reason of the fact that it

is already contracted for, he will (for the money paid or promised to be paid) use his influence with certain clients or on certain occasions to obtain business for you, notwithstanding your name is not to be published, as this is a fraud on the lawyer who has bought the representation and is entitled to the full measure of what the law list and solicitor can do for that locality.

Where representation cannot be had in desirable law lists by reason of existing contracts with other lawyers, it is well to file with the lists desired a statement of your facilities and your desire for representation when a vacancy takes place. Most law list publishers are quite ready to note such applications and give them consideration when the necessity for a change arises.

Never permit yourself to overbid a fellow practitioner in obtaining representation in law lists or in seeking the clientage of an agency or a business house, or individual; change your occupation rather than stoop to cut-rate or underhand methods.

Often a law list profits the lawyer when he labors under the impression that it does not pay. The law list is often able to produce evidence to show that the reason for the lawyer's unwillingness to renew is being based on an impression only, he having kept no records and being dependent on his memory, which can hardly be expected to serve over a year's time. The result is that the law list is damned for a condition which really does not exist.

The main points to consider in determining whether one should take representation in a law list are the character of the book itself as showing respectability, responsibility, reliability, on the part of the publishers, a fair reason for the representation being vacant, a showing of earnest endeavor on the part of the publisher to circulate his book in the proper channels, a recognition by him of the rights of the law-

yer as shown by his keeping out of all enterprises that seek to play the client against the lawyer, a price commensurate with the possibilities of business in the particular locality, which latter can be most fairly judged by the lawyer himself, and a fair contract in the matter of fee rates and time of payment for the representation—these being in favor of the list, the lawyer may fairly take the chance; but, as a further precaution, he should obtain the opinion of the **Commercial Law League of America**, provided, of course, he is entitled thereto by reason of a membership.

Pay no money in advance to law list solicitors, unless you know the solicitor and his publication well, and the reason he gives for wanting money in advance is reasonable; for, as a rule, the request for payment in advance is a sure “ringer” for a worthless proposition.

Pay no attention to checks or facsimiles of checks shown you by law list solicitors as being money paid them by other attorneys well known and highly regarded; for you cannot know under what conditions and circumstances these checks were given, since they are often given with a drawback or under conditions that are not offered to you.

Under no circumstances should a member of the **Commercial Law League of America** make a contract without consulting the tabulated statement of the experience of the members of the League with all law list publications, which tabulated experience is published and distributed by the League to its members once every two years.

Do not fail to give credit to law lists for not only the direct business that it furnishes to you, but also for the indirect business, or the business that flows from other business and which would not have come to you had it not been for the original business that came over the list.

Do not judge of a law list by the names of its representatives in your state; this very largely is deceptive, and particularly so with new publications, since in great part new publications are simply copies of old ones, and naturally, in copying lists, publishers do not copy the poorer lists.

Beware of agencies and law lists that come to you with propositions by letter where the printed matter, including the letterhead, has no individual names and no street or office address, nothing being used but a post-office box, and sometimes not even that,* for under such conditions as a rule the proposition is a house agency and the name will not be found in either the city or the telephone directory of the city where the concern is supposed to be located, the mail going direct to the merchant for whom the agency is supposed to be acting.

Do not judge a law list by the bearing or address or manner of speech of the solicitor; some of the worst frauds in the law list business are represented by some very "smooth" artists.

Do not judge of the age of a law list by its published volume and number, as many a new proposition has been born in, say, its tenth volume, the purpose of the deceitful representation being, of course, to present an air of age and responsibility to which the publication is not entitled.

The age of a book may often be determined by a glance at the type, for, as a rule, the names in law lists are kept standing from year to year and only new type is inserted where there is a new representative, with the result that the list gives a somewhat uncertain or mottled appearance, some names being darker than others and often appearing to be in a blacker faced type. The fact is the old names have run through several editions and the type has become worn, whereas the new names have run through but one edition; so that where the

type is uniform throughout, the chances are that the list is an absolutely new one; but this is not always exactly true because, from time to time, the older lists put on an entirely new dress of type from start to finish.

Do not pay for representation in law lists that are controlled by collection and commercial agencies that play the commercial class against the lawyer class.

Do not put any confidence in propositions made you by law lists to the effect that if the representation does not pay you the first year, your subscription will be continued free of charge for a further period, as this proposition has proven to be in most cases a mere subterfuge to get the money.

Do not put confidence in a lavish display of claim coupons shown you by law list solicitors, as there is nothing to prevent these law list coupons representing old and worthless claims that have been sent over the lists in question after other lists have had a try at them, as the poorer class of lists make the practice of soliciting from forwarders the second or third, or the even fourth, try at their claims; coupons on such business look as good as if the business were fresh and had never before gone over other lists.

Put no confidence in facsimile letters shown you by law list solicitors shown for the purpose of proving to you that someone has received business out of the list, since any law list can obtain such letters from lawyers who, by some happy circumstance, have been privileged to receive a stray item of good business.

Put no confidence in letters shown you by solicitors for new publications with reference to the prospective value of a new venture, as experience and observation have shown that these letters are nearly always written by someone who is not a disinterested party.

Do not pay money to law lists, excepting to such as are of known value, without obtaining information as to the proposition from the **Commercial Law League of America**, provided, of course, you are a member of that organization.

Do not make contracts with law lists without knowing whom you succeed in the representation and the reason for his quitting, unless you know the publication to be of real value and have reason to believe that a change of representation was not because of any failure of the list to produce results.

Make no contracts with law lists that provide that business sent over them shall be transacted on a fee schedule lower than that recommended by the **Commercial Law League of America** at its 1917 convention.

Make a rule not to buy representation in new directories and law lists, as under the present conditions no new law list in the field stands any chance of producing business, the field being already overcrowded.

Support freely and liberally the law lists that are known to be doing a reputable business, and do not judge of their value to you by the experience of a few months or even of a year, as the value of a good list to its subscriber or representative is cumulative in its nature.

The lawyer's office should be near the court house, the post office, and the business center, generally; and it should be in a building known as reputable and free from fly-by-night enterprises and second and third-rate concerns; particularly should it be in an office building where other well-known and well-reputed firms are located, it being suicidal to locate in an office building recognized as "cheap" and tenanted by questionable firms, one being known by the company he keeps in this line of work as in every other.

The time was when lawyers thought that it was better suited to their employment and made a better impression upon their clients if their offices were kept in a careless manner, the old-time law office being a picture still fresh in the minds of many of the older members of the profession; whereas, nowadays, the successful lawyer is known by his well-kept office and his own well-groomed appearance. Slovenliness, in both particulars, is now considerably below par.

Office arrangements and surroundings should be as convenient and pleasant as possible, as dark rooms, unpleasant odors, bad air, blank dirty walls, low ceilings, carpetless floors, old and dirty furniture, all have their effect on the minds of those surrounded by them. Good light, good air, polished furniture, rugs, pictures, even flowers tend mightily to a satisfied office crew and to efficient, sympathetic and intelligent work.

Keep the machinery of the collection department and the office generally out of sight, and this particularly applies to typewriting machines and their operators, to files, and to the paraphernalia of a collection department.

See that some one is deputed to meet those who enter the office and that that some one is affable and intelligent enough to take advantage of emergencies and deal tactfully with all comers.

So arrange the ante-room or reception room of the office that visitors may not attract the attention of the office help but may be comfortably seated and pleasantly employed, as by furnishing the latest newspapers and periodicals.

So arrange the office that employes having work in common will be in close touch and that harmony may prevail, without which there can not be success.

Above all else, there must be harmony in the office; and if this harmony is wanting in any particular, the trouble should be cut out at any price, as no more can in-harmonious office help dovetail their work to advantage than can machinery with parts unadjusted and producing friction.

The collection department proper and the law department proper should be divorced from each other as far as possible, by the use of separate rooms, separate entrances, separate files, separate indexes, separate ticklers and diaries, and in the correspondence a difference should be made in the tint of the paper used, so that at a glance the letter may be recognized as belonging to the department from which it emanated.

Give painstaking care and thought to the matter of your office stationery, as this stationery speaks for you. It is your face, dress, figure and expression to those who do not see you in person.

Study and compare the best looking letters you receive from your correspondents in order to adopt the best form of address and ending, the best system of paragraphing and margining, the best form of letter-head, etc., etc., always being careful to use good paper and good type, and a well-inked ribbon, as nothing is more exasperating than being compelled to read with great difficulty a poorly constructed letter on poor paper, written on a typewriter whose ribbon is worn to a frazzle.

There is no improvement probably that can be made on the office file or holder that holds the correspondence without folding and contains on its front page a printed form for the insertion in pen or pencil of all of the items of information regarding the claim and its history, and what is done with it up to its final disposition.

Do not study to see how much system or machinery you can install in the collection department but how little, as simplicity conduces to economy and to efficiency, and the more steps to be taken, the more movements to be made, and the more papers, files, indexes, etc., to be handled, the greater the expense of time, money and effort.

Remember that the two things most needful are that the papers in the case and records shall be together and readily found, and that the matter itself shall come to the attention of the proper party at the proper time; that all the machinery of the office doing more than this is largely superfluous.

A record should be kept of all business received and the sources from which it comes; particularly should this be done in connection with the law lists to which the firm contributes for representation. A simple blank book with the name of each list at the top of page, with space beneath for the title of the case received, its final disposition and the fee obtained, is all that is needed. At the close of the year, when solicited for renewal, the lawyer has the opportunity of determining, at least to a degree, what value the list has been to him; but he must not forget, as I have warned, that he should give credit for indirect results, which can be determined from a careful study of the cases that have come into his hands over the lists, and a following out of the results of the acquaintance brought about through the list's introduction to him of the client and the debtor, as in general every case means the addition of two persons to the lawyer's list of business acquaintances.

A diary or tickler system is absolutely essential in every office, even though it be a one-man office, and this diary or tickler should carry at some date every single item of business in the office, excepting such as are dead and consigned to oblivion.

On the desk of every member of the staff whose work is charged to the clients should be placed every morning a blank divided into hours, and dated, afterwards to be signed by the party filling it up, on which may be noted visitors calling and a brief word as to their business and as to the amount of time employed and as to any charges that should be made; also expenditures made and for what purposes, and to whom to be charged, which blanks, gathered up in the evening, should be given to the bookkeeper, or the file clerk, or the managing partner who will adopt some system by which these blanks may be referred to at any time in the future when wanted or may be used by the charging clerk or the bookkeeper.

Carbon copies of all letters should be made and filed in their appropriate places, and nothing should be left merely to the memory of employer or employes, so that on the dropping off by death or otherwise of a member of the firm or an employe, his successor may take up the work where it was left without inconvenience and loss.

Where, as is generally the case, the same sort of a letter has to be frequently written, a model letter covering the subject should be composed with care, and this model letter used, giving it a number or a letter identifying it to the typist or stenographer, thus saving time and effort at dictation.

Every piece of work in the office should have its number and its place, and proper indexes (card indexing preferred) should be installed, enabling the workman to expeditiously find it and all that pertains to it.

Indexes of several kinds should be a part of the office machinery. There should be an index of debtors, showing how many and what claims are received against every debtor represented on the books; an index of clients,

showing every claim that has ever been received from every client on the books, and an index of law lists or directories showing every piece of business received over such lists and directories.

The manager or managing clerk of the Collection Department and the managing partner in charge of the Court Department of the office should each have, at his hand, all indexes of his department so that he need not move from his office chair to refer to numbers and direct as to files.

All indexes should be moved into safety vaults or fire-proof safes at night; and all live files should be kept in fire-proof receptacles.

Purchase the standardized forms and appliances advertised by the **Commercial Law League of America**.

I have no financial interest in the dictaphone, but my earnest advice to the office having much correspondence is to use this modern device for quick work.

Discard dockets for collection records, pigeon-holes, the old-style letter copying press, and substitute therefor the card system of records, the flat top utility desk, and the carbon copy.

See that the face of your claim folder contains in plain words the directions of the forwarder or client and any special agreement or arrangement as to how the matter shall be handed, and particularly as to fees, if the fee agreement is other than the usual one in such matters.

The claim folder should contain a brief statement under appropriate dates of everything done in handling the matter, so that the correspondence itself does not have to be read in order for the party taking up the file to understand its proper status.

The letterheads of the legal department and the collection department should be constructed on different plans, it being preferable that the stationery used in the legal department should carry nothing more than the firm name, the location, the names of the partners, while the collection stationery should contain this and more, as the name of the manager of the department, the telephone number, the number of the matter referred to in the correspondence, statement of specialties and references; though in any case the letterhead should not be cumbersome or overloaded.

The commercial attorney should make a point of being as useful a man as possible in his community, and in so doing he will ally himself with all public institutions and organizations and all societies that have for their purpose the general uplift of the community, though it can not be expected that he will become a "joiner" to the extent that this would seem to advise; yet the greater number of persons that he comes in contact with, the greater will be his opportunity to build up and maintain his business.

The mere belonging to organizations and public enterprises is not enough to warrant the expense of one's time and money and effort; there is something more that is needed, that is, the active participation on his part in the proceedings of such organizations and bodies, so that he may become known in a way not only to be helpful to his fellow men but also helpful to himself in gaining the esteem and patronage of his fellows.

Nothing is of more value to the commercial lawyer in obtaining recognition in societies and organizations, generally, as an education in the practice of parliamentary law and procedure.

Get a working agreement with the commercial lawyers of your town or city by which there may

be an interchange of information as to house agencies, unfair forwarders, piratical reporting schemes and worthless law list propositions, as only by some such co-operation can you and your fellow lawyers hope to save the money that you are losing in fees and worthless investments.

Notify the **Commercial Law League of America** of every enterprise that is not on the square; or that you have good reason to believe is not fair.

Send out no business to a fellow lawyer without advising him at the same time as to what steps have previously been taken in the matter sent, thus setting the good example and helping to bring in the day of fair methods and efficient service.

Keep a full record of the date of the outlawing of all claims on the books, and through a tickler system notify clients well in advance of their outlawing so that they may direct you as to the obtaining of judgment or taking of other proceedings, and by so doing add considerably to your income.

Make every piece of so-called worthless business in the office valuable in producing other business, either in the way of adding to the circle of your business acquaintance or in the way of impressing clients with the fullness and promptness of your reports.

In hiring assistants in the commercial law office, the personnel of those employed should be considered; as a rule, young women make better routine clerks than young men. Very often a young woman is found who develops a wonderful talent for this line of work. Many an office will introduce you to a young woman who has been able to take entire charge of its commercial work. But, for direct dealing with clients and debtors, young men are desirable, preferably young men who have grown up in the office, who understand

the spirit of the business and know the views of those who conduct it and understand their relations with their clients. In particular should the personnel of those who manage departments be carefully studied, as upon their conduct and deportment depends the success of the business, since employes learn to imitate and copy the actions of those over them.

All mail should be sent out of the office at least twice a day, at noon and at night, and oftener, if possible, as frequently (in cities particularly) the mailing of letters at noon enables them to reach their destination a day sooner than if the letters were held until night.

Envelopes containing important letters should be attached to letters and filed with them, as oftentimes the post mark on the envelope makes a deal of difference. Much trouble and not a little litigation have arisen over the question of the time of the receipt of a letter.

All dead files, or all files on matters disposed of, should be taken from the live files and placed in their numerical order in a morgue to be kept for a few years and then destroyed.

The stenographic help in an office will bear study. It is not every stenographer that can be more than a mere machine. There is a typist-stenographer, however, that can be obtained who can readily work into the spirit and the plan and purpose of the business so as to become effective in more than the mere taking and transcribing of notes; and it is this sort of employe that should be sought in the law office, as great relief from routine and worry can this be saved to the heads of the office and heads of department, that is needed for a higher class of work than the mere routine requires.

Use the telegraph freely, as no medium of intercourse brings more sure and prompt responses, and the expense

of telegraphing becomes usually a mere bagatelle in comparison with the results obtained.

Get away from stereotyped forms of letters in correspondence excepting where the correspondence is purely formal, since nothing pays better in the long run than a friendly and personal tone in business communications.

Never be guilty of writing sarcastic, or scolding, or ill-humored letters, no matter what the provocation, since these invariably react.

The psychological effect of a self-addressed stamped envelope on a more or less reluctant correspondent should not be overlooked, since the cost of a postage stamp is inconsiderable in comparison with the value of a reply, if the reply be of any value whatever.

Never permit yourself, nor another, if you can help it, to speak disparagingly of the commercial law specialty and that part of it known as the collection business; but know that it is an honorable and necessary employment, and that it is up to you to honor or disgrace it.

All important documents, all commercial paper, all contracts, and all papers other than routine correspondence, should be kept in separate receptacles, properly indexed and under fireproof cover.

In engaging assistants in the office, a shrewd lawyer will see to it that they are such individuals as can command some little business of their own, or, at least, have an acquaintance or have influence among worth-while people.

Wages and salaries should be increased from time to time in an office, in order to engender a spirit of service and of co-operation and build up a permanent staff, since nothing is so harmful to the law office as a constant change of help, for every one going out of the

office necessarily carries with him something of what he has learned in the office regarding clientage, methods, etc., and very often a distinct loss is felt, whereas an advance in wages from time to time—the amount being dependent on the length of service in every case—is such an incentive as keeps the office force intact and prevents any of the business getting away.

I do not know of any rule of ethics that prevents the lawyer from arranging with the manager of his collection department and his assistants, possibly, for a graduation of the wages or salaries according to the results of the department. Such an arrangement must conduce to efficiency and prevent the strict adherence to office hours that employes are often prone to disregard.

Among the most valued clients of the commercial lawyer are the trade agencies, a fairly complete list of which is given in this book. These agencies, as a rule, do not charge for representation, but require commercial reports. As a rule, representation with them is desirable.

The device, in the shape of a card, made to fit the ordinary card file cabinet, bearing the name of the attorney and a statement as to his facilities for doing this line of business and carrying some references will always be effectual. This card well distributed among the forwarders doing business in the attorney's territory will not usually be thrown away by the forwarders receiving it, as nearly all forwarders have a card index of receiving attorneys throughout the country, and the attorney's card being made of the size to fit the standard drawer in which the card index is filed, it becomes a very easy matter to file it, so that in case a lawyer is wanted, or in case of the failure of the firm's usual representative or his inability to accept employment in a particular case, the card will serve the purpose of introducing the applicant for business.

The cards referred to can well be sent to the list of forwarders given in the closing pages of this book, the parties sending them being careful not to cover the territory that does not forward to their section of the country.

Make every piece of business in your office an avenue for widening your business acquaintance—and this applies to the most worthless piece of business in the office as well as to the best.

Cultivate a friendly relationship with all other commercial attorneys in your town or city, knowing that honorable competition is as possible in the commercial law and collection business as in any other.

Never allow yourself to lose your patience in writing letters to forwarders or clients under any circumstances, no matter how great the provocation. If you are in the right, your impatience will throw a doubt on it, rather than convince.

In your letters to debtors and persons against whom you are acting, endeavor to give a semi-familiar or personal tone that will rather attract than offend.

Impress every member of the office staff from the office boy up with the desirability of making a friendly impression on every one with whom he comes in contact.

So far as possible give to everyone in the office a working interest, though I am unable to advise or suggest what that may mean in your particular case. In every law and collection office a way can be found of making it profitable for the employe to give more than the average time and effort to his work.

The opening of the mail should be under the direct charge of some one individual. Mail should be opened and stamped with the date of receipt and distributed

promptly, and everyone in the office held accountable for the prompt execution of his work, and in this the heads of the office should set an example.

It should be the first duty of someone in the office at the opening of business to place upon the desk of the members of the staff the files noted for attention that day.

Pay no money to forwarders as a bonus for their business, inasmuch as the division of fees required by such agencies is sufficient compensation to them, but chiefly because such a practice is unethical in that it is the buying of business.

Pay no money to agencies that tell you they will send you business in consideration of your paying to them a few dollars and offering as a mask to the real purpose some special service in the way of information regarding law lists, etc., which information at best is little more than you have yourself, and if you are a member of the **Commercial Law League of America** is of no value as compared to what you can get from the League free of charge.

Join the **Commercial Law League of America**, read its monthly Bulletin, attend its conventions, take advantage of the facilities it offers in the way of giving information regarding house agencies, law lists, unfair forwarders, etc.

Not only should a member of every firm be a member of the **Commercial Law League of America**, but a membership should be taken out for the manager of the Collection Department of the firm whether he be a lawyer or a layman, inasmuch as his membership at \$5 a year will give him an added value to the firm and its business, by reason of the inspiration and the information he will receive that will make the cost of membership insignificant.

Subscribe for such periodicals as cater to the commercial law and collection world, and see that those in your office who have to do with the collection department have an opportunity to read them, and thus make them intelligent help and add to their efficiency by their learning of efficient methods employed by others.

Call on well-known commercial law firms in cities and towns that you visit and obtain what information you can by observation and by asking questions as to the most efficient methods that may be employed in the commercial law and collection office.

Do not make the mistake of thinking that the desk piled high with papers gives an impression of a busy office, as nowadays business men are sized up very largely by what they are able to accomplish and have been able to get behind them rather than what they have not accomplished and have before them. An office that gives an air of work unaccomplished does not make a good impression.

Hold periodical conferences to which all members of the staff are invited, provided the office is of sufficient size to warrant it, in order that there may be an interchange of suggestions and opinions, which cannot be made often in the busy course of the daily work. This serves to give added interest to, not only the partners themselves, but every employe—and even an office boy has been known to save and make money by suggestions.

See that everyone who enters your office for whatever purpose is greeted with courtesy and made to feel that he would be welcome there at any time, and this particularly applies to your treatment of persons against whom you have business, as your clients with a fair degree of attention on your part will remain with you, while strangers may come to you only because of unusual courtesy on your part.

The collector sent out from the law office to interview debtors should be constantly warned against his antagonizing those whom he meets, but should be encouraged to so deal with debtors that they will be friendly with the office; he should be urged to see that the debtors find their way, sooner or later, into the office to meet some one who has the tact to get the results and at the same time if possible win the good will and patronage of the caller, all of which is a means of building up the business that is almost generally disregarded.

In these days of high living expenses, which includes high office expenses, use post cards as often as possible excepting where the nature of the communication is confidential.

Save labor and time by the use of well constructed forms, and this applies to receipts, remittance blanks, letters of transmittal; but it seldom applies to reports on claims.

From time to time write a circular letter to your clients, not to the general public but to your own clients, calling their attention to certain matters which it is desirable that clients shall be educated to; as, for instance, the matter of asking for reports on claims. This periodical letter will not only educate them, and many clients need it, but it will serve to bring you to their mind at intervals and lead to employment.

Do not make the mistake of thinking that you can win clients generally by direct appeals to business men through circular letters; this method is not only unethical under the accepted rule but it is ineffective and wasteful of money and energy.

Make a point of getting acquainted personally with the leaders in the field of commercial law and collections. You will find them to be men of high character and men of fine principle, highly trained and efficient, and their

value to you will be great in the way of inspiration to better work and a higher estimate of your line of endeavor.

Waste no money in such advertising schemes as blotters, wall-maps, calendars, rulers, pencils and other devices used by business enterprises. These schemes are beneath the dignity of the lawyer and, aside from that consideration, are practically worthless.

Make every item of business that you successfully transact, however small it may be, a stepping stone to further business, not by a boastful advertisement of your success but an adroit way of reporting it to your client that must put him in mind of other business that ought to be handled by you in the same manner.

If you conduct a collection department, place in charge of it a young man full of vim and vigor with ambition to succeed in this particular line, and never engage for it a man who has been a failure in anything else.

Never permit your business to grow barnacles, but periodically turn the business upside down and scrape off the growth that retards its progress; and this means the cutting off of employes who have served their usefulness.

Do not follow the example of the commercial lawyer who, in his travels, makes a point of knocking his fellow lawyers in the hope of thus boosting himself, since the purpose is self-evident and the practice reacts on the person engaged in it.

Learn what part of the country trades with your city and locality and confine your efforts in client-winning to the commercial centers that supply your local business, and make note of the forwarding firms in those centers that furnish the bulk of the forwarding busi-

ness, the names of which forwarders can be obtained from the pages of this book.

Insist that the forwarder who sends you business on a division of fees give to you your just proportion (two-thirds) of the entire fee he receives from his clients; and it may be generally known whether or not the forwarder is withholding from you a portion of the fee that is your due by the schedule of fees he uses in sending you business, since few forwarders nowadays take business on the schedules often used by them in sending business out; as, for instance, the 10 per cent on the first \$100 or \$200 and the minimum fee of \$2, which is an antiquated rate, and which no forwarders use in their dealings with their clients but do use in their dealings with the receiving attorneys.

In sending out business to attorneys, the fee in which is to be divided, give to the receiving attorney his just proportion (two-thirds) of the entire fee you receive from your clients, as only by so doing can you be fair to him and to the clients..

Do not, for a money or other consideration, bind yourself to use any particular law list in the sending out of your business, as by so doing you give up the freedom that is rightfully yours to select the best attorney available and to properly serve your client.

Earn and maintain a clear record in the bankruptcy courts and this means that you shall not become known as a business-wrecker.

Do not permit yourself to serve a forwarder in a bankruptcy matter where he has sent to you one or two minor claims to be filed with the court and sent other claims against the same bankrupt estate direct to the court, thus obtaining your advice and assistance in the one or two matters to be used by him with his clients in these and other matters. On discovering that your

forwarder is playing the double game with you, give up your employment with him, or insist that you be given charge of all claims filed by him in the proceeding.

Do not accept a claim against any one, which claim you cannot (through friendship or business relationship with the debtor) push with proper vigor, but promptly and frankly state your relationship to the debtor and return the matter, and it were better to do this than to retain the claim for an interview with the debtor in the hopes that a friendly adjustment may be made, as this is unfair to the client, who expects vigorous action from the start and not such a notice to the debtor as your course would give him, and perhaps permit him to escape, where a vigorous handling of the matter from the start might have been effectual.

When business is sent accompanied by a law list coupon and the terms of a law list are referred to as the terms governing the transaction, take no steps in the matter until these terms are understood by you; in other words, lock the door before the horse is stolen, and not after.

Never go behind a forwarder direct to his clients, excepting in the rare cases where the forwarder absolutely refuses or continues to neglect to do his duty as middleman, or where there is a just suspicion of fraud on the part of the forwarder.

In general, report all frauds, irregularities, unfairness on the part of receivers or forwarders or clients to the **Commercial Law League of America**, which is prepared to deal with all such cases.

In corresponding regarding a matter, always refer to the matter by title as well as by the number of the item if your correspondent has given it a number, since a neglect of this may give you an unenviable reputation (for the instant at least) in his office, and, for case in

doing this, your office folder containing the correspondence and the history of the claim should always plainly state the correspondent's number or symbol that he has adopted to identify the matter in his office.

Every man must decide for himself how far he will go in observing the strict letter of the ethical rule as to soliciting business, and I am certain that I am not mistaken when I say that the direct soliciting of business is unprofessional in a commercial lawyer, as it is in any other sort of lawyer; but I can see no objection to a lawyer visiting his fellow lawyers or forwarders and in a proper and decent way introducing himself by means of his card and letting it be known that he is on earth, though I realize well enough that the line of distinction between this and something else is very fine.

Make your clients and such forwarders as you come in contact with your personal friends, as in this age of intense competition, friendship turns the scale often.

Extend your collection operations so far as possible into surrounding towns that are not served by lawyers residing therein, as this has been found by many attorneys to be a fruitful source of income.

Where you announce the fact that you are prepared to do business in neighboring towns, it will be assumed by clients and forwarders that you can do business in those towns without added expense; and, therefore, in accepting business for these towns, where you expect to make expense by way of travel or otherwise, a distinct understanding should be had with the owners or forwarders of the claims with reference to such expense.

Do not consider that it is absolutely necessary to always stand on the letter of your rights, particularly where the difference between yourself and another is trivial, since there is always room for a difference of opinion as to what are your rights, and sometimes a man

has slipped up on a good client and good business by reason of being a stickler for what he considers his just dues.

The commercial lawyer, in his dealings with the commercial world, must recognize that he is dealing with many and divers kinds of individuals and with many and divers kinds of minds; and that all cannot be expected to meet his views in every particular, so that there must be in correspondence and in dealings with a large number of individuals a certain degree of "give and take," a willingness to forego an advantage at times, and even a disposition to give up where by so doing something greater that is at stake may be earned.

See that your contract with your law list provides that the law list publisher may not directly or indirectly be interested in an agency or enterprise of any sort that employs (under contract) attorneys at prominent centers of population as special adjusters to whom in the event of any important business arising in your locality this business would be sent for adjustment or collection; in other words, that all business of every description, whether a collection or an adjustment, arising in your territory, shall come direct to you.

REFORMS THAT MUST COME.

(1) The division of fees, between forwarder and receiver, when allowed, will, in the absence of an agreement to the contrary, mean the division of the whole fee paid by the client.

(2) The practice of employing a lawyer or firm of lawyers in a commercial center to do adjusting, collecting, etc., in large matters throughout an extended district contiguous to their home cities, and at the same time making contracts for representation in the smaller cities and towns of the same territory with local lawyers, giv-

ing them sole representation, without advising them of the facts, will be prohibited.

(3) The prices of law list representation will be put on a more scientific and more stable basis, so that the lawyer in dealing with the law list publisher may feel secure in his ethical position.

(4) Law list publishers will discontinue sales to merchants and manufacturers of their so-called "service," which is but a name for a scheme for enabling the merchants or manufacturers to handle their claims without the service of the lawyer.

(5) The house agency and house attorney demanding from receiving lawyers a portion of their fees will be held in contempt and their business refused.

(6) A standard form of transmittal of claims will be adopted generally by forwarders everywhere.

(7) A standard schedule of fees will be adopted by every forwarder and receiver.

(8) Every claim will be accompanied by a statement of what, if any, steps have been previously taken to realize on it.

(9) No law list or legal directory unworthy of the patronages of lawyers, either by reason of fraud and deceitful practices by its publishers or by reason of excessive and exorbitant representation charges, will be permitted to exist and prey on the fraternity.

(10) Agencies and forwarders generally asking of lawyers a bonus for representing them will be compelled to stop the practice.

(11) The **Commercial Law League of America** will be used as a clearing house for information as to unfair forwarders and receivers, and every effort made to rid the commercial law world of this class of business and professional men.

(12) In all cities and towns, where there are two or more engaged in the commercial practice, local organiza-

tions will be formed composed of such lawyers, who will co-operate to reform the practice according to modern ideas and, by the interchange of experience, protect themselves against unfair forwarders, worthless law lists and harmful competition.

(13) Merchants and forwarders generally using lawyers' names without authority in the collecting of claims through direct-demand letters or by drafts will be compelled to stop the practice.

(14) Fees will not be divided; all fees stated in forwarding or transmittal letters will be net to the receiving attorney.

(15) Advanced costs will never be considered as an advance of fees, so as to warrant the receiver in keeping a portion thereof as a fee without an agreement therefor with the client or forwarder.

(16) Law list publishers will cease competing for the business of forwarders, but will confine their efforts to publishing.

(17) No device, by means of which forwarders are induced for a consideration to send their business over a certain list, will be permitted, if it is capable of being interpreted as a form of purchasing business, since the lawyer who buys representation in the lists participating in the act must participate in the purchase.

(18) The making of commercial reports by lawyers will be confined to cases where money, or a money equivalent, is given in consideration therefor.

(19) The activities of laymen in the collection field will be circumscribed and limited within fair bounds, such as will give the lawyer a fair opportunity to practice his profession with profit.

(20) The activities of the adjustment bureaus of the associations of credit men will be limited to their natural spheres, and their condemnation of the legal profession and their underhand methods of obtaining business at

the expense of the lawyer, will be curbed, as they well may be in view of the fact that adjustment bureaus of these associations are in many cases attempting to practice law.

(21) A campaign of education will be inaugurated by and through lawyer organizations to offset the constant and insidious propaganda of agencies and adjustment companies in favor of the lay collector as against the lawyer.

(22) The **Commercial Law League of America** will be made the clearing house whereby lawyers desirous of entering the commercial practice or of changing their location may obtain information as to desirable fields, and on the other hand, localities requiring the services of good commercial attorneys will be able to find them—all this to the benefit of the lawyer himself, the law list, the agency, and the business world generally, since there are many sections of the country unsatisfactorily served by commercial attorneys and there are many capable attorneys in the more crowded centers who would, if the facts were known, be glad to avail themselves of opportunities to locate in desirable fields.

(23) A new type of commercial lawyer will come into control of the commercial business of the country noted for his promptness, his reliability, his observance of the modern requirements of the business lawyer, his straightforward and honest methods of accounting for the proceeds of matters entrusted to his care, his unwillingness to participate in fraud of any character, and his unwillingness to patronize any institution or enterprise that makes a prey of the lawyer.

(24) The lay agency will take its rightful place as the intermediary between the client and the lawyer, and will usurp the place of neither of these, as he is now seeking to do in the case of both.

(25) By co-operation among law list publishers and forwarders, it will be possible for any number of repu-

table attorneys to engage in the commercial law practice in any particular locality; as it is now, the business is monopolized in every city and town by from one to half a dozen attorneys or firms of attorneys, and it is impossible practically for a new man to enter the field.

(26) A law list charging attorneys for representation will neither directly nor indirectly become financially interested in agencies sending business to these same attorneys on a division of fees, and will not provide the business men with the means whereby they are encouraged to maintain a direct collecting system and thereby injure the lawyer who is asked to contribute to the support of the law list.

(27) The asking of attorneys to pay for bonds issued by a law list guaranteeing their faithful performance of their duty will be condemned and done away with. There will be no objection made to law lists and agencies giving such bonds for the faithful performance of duty by their representatives, but in no case will the lawyer be called upon to contribute to the expense of this bond.

HOW REFORMS ARE TO COME.

Reforms in the future are to come from several sources.

First, they are to come through forces working within the ranks of the men who are guilty of the abuses. I anticipate that the leading agency men of the country will organize, as have the leading law list publishers in their List Conference, and as have all classes combined in the **Commercial Law League of America**.

The League is not prepared to handle properly abuses fostered by one class as well as could that class itself handle them alone were it to undertake to do so. The Law List Conference, by its frequent meetings and the co-operation of its members, by means also of its free discussion and consideration of unworthy practices

that may be brought to the door of any of its members, is in position to exert a disciplinary force, so we may look to see many of the abuses in the law publishing business abolished by the action of the publishers themselves.

The agencies may well undertake similar organization and work and I am satisfied that the time will come when they will do so. I have always advocated that the agency men in the League shall form the nucleus of such a co-operative organization. I do not anticipate that any one of the classes forming the League will withdraw from that body to form a separate and distinct organization. In doing so, they would do themselves a harm as well as the League. Such bodies as the Law List Conference acting in perfect sympathy and perfect harmony and co-operation with the League can bring about any results they may desire; separate and apart they could not do so without running the risk of antagonizing the great body of lawyers to whom they must look for support. The same would be true of an agency organization.

Second, reforms will come through education and publication of the facts and opinions of those interested in the betterment of conditions. This condition can best come about through the action of the **Commercial Law League of America**, which is recognized now as the one authoritative body of commercial lawyers and collection men in the world. This body has shown its ability of recent years to bring about what it considers desirable; as, witness, its remarkable success with the rate reform movement, now in full stride.

The League was, for many years, inoperative as a working body. It was almost purely social in its organization and makeup. Its spirit was that of comradeship, merely. Its recent conventions, however, have struck a new note—that of service. Great things may be expected of the League in this respect. I believe

it is only on the threshold of its labors for the benefit of its members and the profession at large.

Third, by the earnest purpose of every man in the business doing his part in his own community to live up to the standards set by the men who are laboring for the uplift of the fraternity. This number is constantly growing. Ten years ago it could be truthfully said that the profession of law was guilty of absolute indifference, if not cowardly subservience, to bad conditions. That spirit is rapidly giving place to a spirit of earnest and courageous purpose to correct the evils incident to the business and counteract the growing tendency toward low compensation and unworthy methods.

Fourth, by local working agreements among the commercial lawyers and agency men in every considerable community, by which through periodical meetings and interchange of experience those interested may be put on their guard against imposition and educated to higher ideals and better methods. These organizations need not be formal, as, indeed, few of them are, but should have sufficient coherence to do practical work. Such organizations have sprung into being in the last five years in scores of cities; for instance, Philadelphia, Pittsburgh, Cincinnati, Indianapolis, Chicago, Detroit, St. Paul, Minneapolis, Milwaukee, Kansas City, New Orleans, San Francisco. But what is wanted is co-operative work in every town and city in the country where there are two or more men interested in commercial law and collections. Indeed, the smaller the town the more advantage is to be reaped from co-operation among the few interested.

Fifth, the membership by every man practicing commercial law to any extent whatever, every reputable agency manager, every reputable law list publisher in the **Commercial Law League of America**, whose literature and conventions have proven to be the most educa-

tive force in the field and the most powerful stimulus to a better condition of things.

I want to say that the conditions of which we complain cannot be remedied by lawyers withdrawing from the commercial law field and withholding their support from organizations that are honestly trying to improve them. I am very frequently told by members of the **Commercial Law League of America** that they have no patience with existing conditions and, therefore, have decided to withdraw from the field. Hundreds of good commercial lawyers have given up the commercial law and collection business due to their unhappy experience in the field. It were much better for these men and the profession generally if, instead of turning their backs upon the task of meeting the abuses, they resolutely face them and help destroy them.

THE LAYMAN IN THE LAW.—LEGISLATION AND DECISIONS ON THE UNLAWFUL EF- FORT OF LAYMEN TO PRACTICE LAW.

Formerly the practice of law was conducted by the lawyer, a man who was looked up to in the community as a member of a dignified profession and was highly esteemed as a leader in society. His success was not based upon the amount of money he made, but was established by his fidelity to the highest ideals of truth, righteousness and justice, and his eminence in the profession as a man of profound learning.

The practice of the law has become commercialized. Financial interests have gradually brought under their domination, and control some of the best and highest fields of the practice for the profits which can be acquired therefrom. Part of the very best branches of the lawyer's work is conducted, both in court and out of court, by corporations, which have not, nor can have, neither soul nor conscience, owe no allegiance to codes of ethics or morals, and have no other cause for

their existence than the accumulation of wealth for directors and stockholders.

We are beset with corporations practicing law. Title and trust companies have secured a practical monopoly of the real estate work. Trust companies offer free advice concerning the making of wills and creation of trusts in order to secure the handling of the funds of estates and trusts. When they have secured them, they charge and receive attorneys' fees in the administration thereof, while the attorney is their paid attorney working on a salary. This is practicing law by the corporation. Without any statute prohibiting the practice of law by corporations, this is unlawful, and such fees are not a proper charge against the estates or trust funds.

The Supreme Court of New York at Trial Term in *United States Title Guaranty Co. vs. Brown*, 149 N. Y. Supp. 186, in an action by the corporation against the attorney for an accounting, held that the corporation's contract, construed in connection with its contract with the property owners, was an attempt on its part to practice law, in contravention of public policy and in violation of statute, the court adding:

"The profession of the law, one of the oldest known to civilization, involving the most sacred confidence between man and man, with its past of high ideals and service to humanity, has in the last quarter of a century suffered much from the inroads of financial and business methods in this great land of ours. Whether by ill-advised attempts by corporate employers to dominate and direct attorneys and counsel in the conduct of litigation, whether by so-called title companies or casualty insurance corporations, the old ideals in the relation of attorney and client, which meant so much to mankind, have suffered and have been threatened with demoralization. This is wrong. The loss of the individual personal relation involved in the attempt by corporations to practice law is so

serious to the community that it is against public policy, and I am inclined to thing *malum in se*."

In the case of Co-Operative Law Co., 198 New York, the court said:

"The practice of law is not a business open to all, but a personal right, limited to a few persons of good moral character, with special qualifications ascertained and certified after a long course of study, both general and professional, and a thorough examination by a state board appointed for the purpose. The right to practice law is in the nature of a franchise from the state conferred only for merit. It cannot be assigned or inherited, but must be earned by hard study and good conduct. It is attested by a certificate of the Supreme Court and is protected by registration. No one can practice law unless he has taken an oath of office and has become an officer of the court, subject to its discipline, liable to punishment for contempt in violating his duties as such, and to suspension or removal. It is not a lawful business except for members of the bar who have complied with all the conditions required by statute and the rules of the courts. As these conditions cannot be performed by a corporation, it follows that the practice of law is not a lawful business for a corporation to engage in. As it cannot practice law directly, it cannot indirectly by employing competent lawyers to practice for it, as that would be an evasion which the law will not tolerate.

"The relation of attorney and client is that of master and servant in a limited and dignified sense, and it involves the highest trust and confidence. It cannot be delegated without consent and it cannot exist between an attorney employed by a corporation to practice law for it, and a client of the corporation, for he would be subject to the directions of the corporation and not to the directions of the client.

There would neither be contract or privity between him and the client, and he would not owe even the duty of counsel to the actual litigant. The corporation would control the litigation, the money earned would belong to the corporation and the attorney would be responsible to the corporation only. His master would not be the client but the corporation, conducted it may be wholly by laymen, organized simply to make money and not to aid in the administration of justice, which is the highest function of an attorney and counselor at law. The corporation might not have a lawyer among its stockholders, directors or officers. Its members might be without character, learning or standing. There would be no remedy by attachment or disbarment to protect the public from imposition or fraud, no stimulus to good conduct from the traditions of an ancient and honorable profession, and no guide except the sordid purpose to earn money for stockholders. The bar, which is an institution of the highest usefulness and standing, would be degraded if even its humblest member became subject to the orders of a money-making corporation engaged not in conducting litigation for itself, but in the business of conducting litigation for others. The degradation of the bar is an injury to the state.

“A corporation can neither practice law nor hire lawyers to carry on the business of practicing law for it any more than it can practice medicine or dentistry by hiring doctors or dentists to act for it. (*People vs. Woodbury Dermatological Institute*, 192 N. Y. 154; *Hannon vs. Siegel-Cooper Co.*, 167 N. Y. 244, 246.)”

As there is no question that a corporation may not practice law, either directly or indirectly, even in the absence of any statute prohibiting such practice, it is suggested to the members of the bar that it is their duty—

1. Whenever they represent heirs at law, legatees, cestuis que trust, minors or persons under conservatorship, in cases where trust companies are acting as Administrators, Executors, Guardians or Conservators to object to and oppose the allowance of attorney's fees to such trust companies where their attorney acts as the attorney in such cases.

2. In all foreclosure suits and partition suits where fees are to be allowed by decrees, object to and oppose the allowance of such fees to attorneys of trust companies. Make the attorneys prove that such fees do not go to the company.

3. In all Receivership matters object to and oppose the allowance of attorney's fees to the attorney of trust companies acting as receivers.

The following brief on the unlawful practice of the law, prepared by Julius Henry Cohen of New York City, will prove interesting and enlightening:

WHAT CONSTITUTES PRACTICE OF THE LAW.

An attorney acts in starting a suit, issuing process, appearing and generally conducting proceedings in court are clearly official and authorized only by virtue of his position as an officer of the court. That these acts constitute practicing law and that they cannot lawfully be done by any one other than an admitted attorney is beyond question.

Kaplan v. Berman (1902), 37 Misc. 502.

McKoan v. Devries (1848), 3 Barb. 196.

Newburger v. Campbell (1880), 58 Howard's Practice 313.

Weir v. Slocum (1848), 3 Howard's Practice Reports 397.

Robb v. Smith (1841), 4 Ill. 46.

Cobb v. Judge of the Superior Court, 43 Mich. 289 (1880).

McClintock v. Laing (1871), 22 Mich. 212. (Notice of depositions given by a person not an attorney may be ignored).

People v. May (1855), 3 Mich. 598. (A case of a district attorney).

Harkins v. Murphy (1908), 51 Texas Civil Appeals 568.

State v. Russell (1892), 83 Wisc. 339. (A case of an assistant district attorney).

See Rader v. Snyder (1869), 3 W. Va. 413.

In **Weir v. Slocum** (supra), the Court said at p. 398:

"This is an attempt on the part of a person who has not been admitted as an attorney, to practice as such, under the name of agent. If this can be done, then the law which requires a regular admission to authorize a person to practice becomes a dead letter."

In **Cobb v. Judge of the Superior Court** (supra, the Court held that an attorney, being an officer of the court, must have the requisite learning and moral character, and that the court must have some power to discipline him for misconduct by disbarment or suspension. At p. 291 the Court said:

"Attorneys are licensed because of their learning and ability, so that they may not only protect the rights and interests of their clients, but be able to assist the court in the trial of the cause. Yet what protection to clients or assistance to courts could such agents give?"

The principle also covers the submission of briefs by non-attorneys, and the courts will ignore such briefs.

Ellis v. Bingham (1900), 7 Idaho 86.

Leaver v. Kilmer (New Jersey, 1903), 54 Atl. 817.

Fallon v. State (1910), 8 Ga. App. 476.

In **Ellis v. Bingham** (supra), the Court said:

A brief has been filed on behalf of the respondent, signed by persons who are not members of the bar of this court. We cannot receive or recognize such briefs, and said brief is ordered stricken from the files. The action of the parties who filed such brief is in violation of the statutes and rules of this court, and such practice cannot be tolerated."

It would certainly not be too broad a generalization to say that, at the very least, everything connected with the management of the prosecution or defense of any proceeding in court constitutes practice of the law and is restricted to qualified attorneys. See

Kelly v. Herb (1892), 147 Pa. State 563.

Perkins v. McDuffee (1874), 63 Maine 181.

Bullard v. Van Tassell (1848), 3 Howard's Practice 402.

Re Spicer (1869), 1 Tucker 80.

Moreover, it is well settled that the courts will not countenance doing indirectly acts which it is unlawful to do directly, so that, if a corporation or an unlicensed individual seeks to mask his practice of the law by employing one or many licensed attorneys to do his legal work and appear in the courts for him, the corporation or unlicensed individual will, nevertheless, be held to practicing law.

In **Matter of Co-Operative Law Co.** (supra), at p. 483, the court (Vann, J.) said of a corporation:

"As it cannot practice law directly, it cannot indirectly by employing competent lawyers to practice for it, as that would be evasion which the law will not tolerate. *Quando aliquid prohibetur ex directo, prohibetur et per obliquium.* (Co. Lit. 223.)"

In **Matter of City of New York** (1911), 144 App. Div. 107, the Court said, at p. 109:

"It is well settled that a corporation cannot practice law either directly or indirectly by employing lawyers to practice for it."

In **Buxton v. Lietz** (1912), 136 N. Y. Supp. 829, the court said at p. 831:

"Counsel for the plaintiff, however, contends that the plaintiff is not to be likened to a corporation engaged in the practice of law, and again, that the prohibitions apply to corporations and not to individuals engaged in the business of a mercantile agency

for collection on behalf of clients. This contention, however, is not sound, for the reason that the plaintiff is not an attorney and counselor at law, and, since he cannot practice directly, he is prohibited from practicing indirectly by employing an attorney and counselor at law to institute suits or actions on behalf of his 'clients' when necessary."

Affirmed (Appellate Term, 1st Department, 1913), 139 N. Y. Supp. 46.

P. 47: "The appellant contends that, at the time the contract was made, on March 10, 1911, it was not illegal, because chapter 483 of the Laws of 1909 merely prohibited a corporation from practicing law, and that the amendment to that law made by chapter 317 of the Laws of 1911, so as to make the prohibition therein contained apply to voluntary associations, did not go into effect until Sept. 1, 1911, which was after the contract in suit was made. We think that the arguments urged by the appellant is immaterial to the question at issue. Quite apart from the statutory provisions referred to, the plaintiff and his assignor, not being duly licensed to practice law, had no right to contract to do so, and any contract made for this purpose was illegal. The principle upon which this ruling rests is so fully discussed in *Matter of Co-Operative Law Co.*, 198 N. Y. 179, etc., that further discussion seems to us unnecessary."

Upon the subject of what constitutes practicing law, outside of appearance in courts, there is but little authority, but what there is of it seems fairly uniform in its conclusions. Thornton on Attorneys at Law Sec. 69 says:

"In almost all jurisdictions unlicensed persons are prohibited from practicing law,— . . . It is too obvious for discussion that the practice of law is not limited to the conduct of cases in courts. According to the generally understood definition of the practice of law in this country, it embraces the preparation of pleadings and other papers incident to actions and special proceedings and the management of such actions and proceedings in behalf of clients before judges and courts, and in addition conveyancing, the preparation of legal instruments of all kinds, and in general all advice to clients and all actions taken for them in matters connected with the law."

And this statement can be said in a general way fairly to represent the result of the cases, some of which contain equally explicit and general statements on the subject.

Eley v. Miller (1893), 7 Ind. App. 529, was a case where a county auditor sought to recover fees for drawing bonds and contracts in a certain proceeding regarding a public ditch. It was **held**, first, that he was entitled to no constructive fees other than those given by statute; and, second, under an express statute prohibiting county auditors from practicing law, he was not entitled to recover. At p. 535 the Court said:

"It may be said that writing and preparing the contract and bond is not practicing law. As the term is generally understood, the practice of law is the doing or performing services in court justice, in any matter depending therein, throughout its various stages, and in conformity to the adopted rules of procedure. But in a larger sense it includes legal advice and counsel, and the prep-

aration of legal instruments and contracts by which legal rights are secured, although such matter may or may not be depending in court."

In re Duncan (1909), 83 S. C. 186. In 1908 Duncan had been disbarred. Subsequently one J. S. was convicted of crime and sentenced to pay ten dollars or serve a term in prison. He was unable to obtain ten dollars, so he went to jail. His wife applied to Duncan to raise money to obtain his release. Duncan took five dollars in cash as his fee, which it was understood he was entitled to retain, and a mortgage for ten dollars from her to secure him for advances, and agreed to procure his release. Owing to the fact that magistrate who had sentenced J. S. had subsequently retired from the bench, the proceedings dragged for some time. The wife of the prisoner became dissatisfied so Duncan returned the five dollars and canceled the mortgage. The Court held his action in this matter amounted to practicing law and was a contempt of court. At p. 189, the court said:

"The question is, whether the services undertaken and performed by Duncan constituted the practice of law. It is too obvious for discussion that the practice of law is not limited to the conduct of cases in courts. According to the generally understood definition of the practice of law in this country, it embraces the preparation of pleadings and other papers incident to actions and special pleadings on behalf of clients before judges and courts, and in addition conveyancing, the preparation of legal instruments of all kinds, and in general all advice to clients and all action taken for them in matters connected with the law. An attorney at law is one who engages in any of those branches of the practice of law. The following is a concise definition given by the Supreme Court of the United States: 'Persons acting professionally in legal formalities, negotiations or proceedings by the warrant or authority of their clients may be regarded as attorneys at law within the meaning of that designation as employed in this country.'"

"Under these definitions there can be no doubt that Duncan engaged in the practice of law"

Savings Bank v. Ward (1879), 100 U. S. 195.

The Court, after stating that an attorney is liable for want of reasonable care in his profession, said, at p. 198:

"Such liabilities frequently arise, and an attorney may also be liable to his client for the consequences of his want of reasonable care or skill in matters not in litigation. Business men not infrequently seek advice in making or receiving conveyances of real property, and it is well settled that an attorney may be liable to his client for negligence or want of reasonable care and skill in examining titles in such cases, whether the error occurs in respect to the title of property purchased or in the covenants in the instrument of conveyance, where the property is sold."

Commonwealth v. Branthoover (1900), 24 Pa. County Court Reporter 353.

The Court said at p. 353:

"An attorney-at-law is an officer in a court of justice whose profession and business it is to prepare and try cases in the courts

and give advice and counsel on legal matters to those employing him."

The following cases show more specifically what acts have actually been held to constitute or not to constitute the practice of the law.

It has been held that conducting condemnation proceedings, even where the party performing the services disclaims any intention of doing legal work and alleges that he merely made investigations as to matters of fact, appraisals, etc., is practicing law.

Matter of City of New York (two cases—supra).

Matter of Bensel (1910), 68 Misc. 70.

It has been held that services in procuring a pardon are not legal services, and that it is, therefore, no defense to the action for such services that the plaintiff was not an attorney. **Bird v. Breedlove** (1858), 24 Ga. 623. At p. 625, the Court said very summarily:

"Neither of these reasons was sufficient.

"(1) As to the first . . .

"(2) As to the second—what law is there that restricts business of this sort to attorneys at law? We know of none.

"Judgment affirmed."

This case would seem, however, to be *contra* in general spirit at least to **In Re Duncan** (supra).

So in **Dunlap v. Lebus** (1901), 112 Ky. 237, it was held that there was no law prohibiting any one, though not an admitted attorney, from procuring a reduction of the tax and being paid for such service. The Court said that this was not practicing in any court, and that the questions involved were merely ones of fact, which might be presented as well by any layman as by a lawyer.

There have been several cases where an unlicensed individual performed legal services both in the nature of conducting cases in court and in the nature of legal advice, and upon his bringing action for such services the fact that he had not been admitted to the bar was set up as a defense. The courts in all these cases held that the plaintiff could not recover, and while they failed expressly to pass upon the question, this decision necessarily implies that the giving of legal advice was as much unauthorized as the conducting of cases in court; for, had the former been authorized, a recovery at least for the value of those services should have been allowed.

Tedrick v. Hiner (1871), 61 Ill. 189.

East St. Louis v. Freels (1885), 17 Ill. App. 339.

Ames v. Gilman (1845), 10 Metc. 239.

Another situation is presented by **Nolan v. St. Louis & San Francisco R. Co.** (1907), 19 Okla. 51. Here a preliminary notice which was a condition precedent to the cause of action involved was signed, not by the plaintiff, but by his attorney. The defendant claimed that this was insufficient without the showing of any authority upon the part of the attorney; but it was claimed for the plaintiff that an attorney, being an officer of the court, his

authority was presumed. The court said that this was true while he was acting as an attorney; that the giving of this notice, although it was not a proceeding in court, was within the scope of his professional business and his oath of office; that the court would have authority to discipline him for a false assumption of authority in such a case, and that, therefore, the presumption was that the authority did exist.

In **People v. Schreiber (1911)**, 250 Ill. 345, the court was called upon to construe a statute making it unlawful for any person not regularly licensed to practice law to hold himself out as an attorney at law, or represent himself as such. The defendant maintained an office, had a rather pretentious law library, made collections, prepared conveyances, examined abstracts, negotiated loans, closed real estate deals, advised parties as to their legal rights and generally performed such services for his clients as are usually performed by attorneys. He also stated to his clients that he was a lawyer and did all the legal business he could get, except that he did not try cases or appear in courts of record. Without entering into any discussion which would be of any value in making generalizations upon this subject, the Court held that his acts were clearly in violation of the statute.

In **Evans v. Funk (1894)**, 151 Ill. 650, the plaintiff was a judge of the Probate Court. A statute of Illinois (Revised Statutes, Chapter 13, Sec. 10), prohibited a judge of the Probate Court from practicing as an attorney or counselor at law in the court in which he presides. A will in this case had been admitted to probate by the plaintiff Evans, acting as such judge. The heirs at law thereupon filed a bill in chancery in the Circuit Court to set aside the probate. Before this bill came to trial Evans put through negotiations for the settlement of the entire matter and got a fee for his services. It was held that this act was practicing as an attorney in the court in which he presides within the statute, and that the fee paid could be recovered back thereunder.

In the case of **Commonwealth v. Barton (1902)**, 20 Pa. Superior Court Reporter 447, funds were entrusted to an attorney by his client to be invested by him. He embezzled the funds and was indicted under a statute making it a distinct crime to commit embezzlement as an attorney. It was held that he was guilty within this statute. At p. 449, the Court said:

"In Pennsylvania the profession of attorney includes much more than the mere management of the prosecution and defense of litigated cases. Unquestionably the professional relation of attorney and client may be established as to the investment of money. Where this relation exists and by virtue of it money is entrusted to the attorney to be paid to a borrower, or otherwise invested, upon satisfactory security being given, he holds it for safe custody pending the consummation of the loan or other investment. This is as much a part of his duty as attorney as in the exercise of his judgment upon the legal sufficiency of the security offered."

In the recent decision of **L. Meisel & Company v. National Jewelers Board of Trade**, decided at the February Term, 1915, by the Appellate Term, First Department, New York Supreme Court reported in the "New York Law Journal" of May 4th, 1915, it

appeared that the appellant, a membership corporation organized as a Board of Trade "for purposes other than pecuniary profit," claimed the right to represent a creditor in bankruptcy proceedings or in proceedings on behalf of the creditor in the matter of the general assignment of a bankrupt for the benefit of creditors, to advise the creditor in such proceedings, to undertake and do all the things appertaining to the prosecution of the creditor's claims in such proceedings, to take the steps necessary to protect the creditor's interest therein, and make a charge for such services. The Court, following the definition in the Duncan case (83 S. C. 186) that the practice of law "is not limited to the conduct of cases in courts" * * * but "embraces the preparation of pleadings and other papers incident to actions and special proceedings on behalf of clients before judges and courts, and in addition conveying, and preparation of legal instruments of all kinds, and in general, all advice to clients, and all action taken for them in matters connected with the law," held that the acts referred to did constitute the practice of law. The Court also quoted, with approval, the decision in **Savings Bank v. Ward**, 100 U. S. 195: "Persons acting professionally in legal formalities, negotiations or proceedings by the warrant or authority of their clients may be regarded as attorneys-at-law within the meaning of that designation, as employed in this country." The discussion by the Court in the Meisel case is of value in determining what legally constitutes the practice of the law:

"Now consider the services ordinarily incident to representing a creditor and enforcing his claim in bankruptcy matters, such as the Wedgren case herein involved. The promissory notes required examination as to execution and the form of the signature, i. e., whether the maker was liable in an individual or representative capacity, whether signed in a trade name or distinguished from an individual name, etc. Inquiry was necessary concerning the inception and delivery of the notes, whether for value or accommodation and as to any possible defenses or counter claims. Acting on this information, the client would be advised whether to proceed. The next step would be the preparation of proof of claims. This is a legal instrument, and the mere fact that it is on a printed form and might be filled out by a layman does not change its character any more than the fact that confessions of judgment, bills of costs, affidavits of service and many simple forms of pleading on notes and for goods sold and delivered are frequently printed changes their character. The subsequent steps that ordinarily occur, such as joining with one or another group of creditors in the selection of a trustee, expediting or opposing the disposition of the assets of the bankrupt estate, the consideration of proposed compromises, reorganizations and substitution of securities for claims, the various problems incidental to receivership, the form in which dividends are received and receipted for, and innumerable other details intervening between the filing of a petition in bankruptcy and a discharge, all involve at one stage or another proceedings on behalf of the client in courts, the preparation of legal instruments of various kinds, the rendition of legal advice and action taken for the clients in matters connected with the law. These services require special knowledge, the fidelity of the relations between attorney and client, responsibility to the courts

and, for success, experience in what is generally recognized as a special line of legal work. Frequently the relation requires actual appearance in court and the conduct of litigation. That such proceedings are contemplated and provided for by this Board of Trade in its relations to its clients is shown by its printed form of voucher, containing provisions for "costs," "suit fee" and "fees." That the services involved and contemplated by this Board of Trade in representing plaintiff in the bankruptcy of Wedgren and prosecuting his claim therein were legal services seems too plain to require further consideration. Similarly, in representing him and prosecuting his claim against the Pacific Jewelry Company, whose property was in the hands of a general assignee for the benefit of creditors, the services were legal services, and for the most part, similar in kind to those already enumerated. Ordinarily, a proper representation of the creditor in such matters involves an examination of the assignment, consideration of its validity, the sufficiency and form of the assignee's bond, an examination of schedules, alertness against the allowance of improper claims, keeping track of suits brought by and against the assignee, the accounting, and a multitude of other important details that will at once occur to any practicing lawyer."

In the recent decision in the case of **The Grocers and Merchants' Bureau v. Gray**, Circuit Court, State of Tennessee, First Circuit (reported "Nashville Banner," Feb. 26, 1915—"New York Law Journal," June 17, 1915), Daniel J., where the plaintiff was a trade organization in these respects similar to the National Jewelers' Board of Trade, performing similar services, the Court said:

"Attorneys at law are officers of the court in which they are admitted and allowed to practice. They must be of good moral character and must take an oath to support the constitution of Tennessee and of the United States. They are under oath just as much as the judge of the court is under oath. They are a necessary part of the machinery designed for the fair and impartial administration of justice. The position and practice of any attorney at law imply and require something higher than simply an endeavor to secure favorable results for his client. They are so completely a part of the court that the presiding judge may exercise summary jurisdiction over them to the extent of depriving them of their office and striking them from the rolls.

In **Planters' Bank v. Hornberger**, 4 *Cald.* 571-572, the Supreme Court of this state, speaking through Special Judge Edward H. East, said:

"'An attorney is a man set apart by the law to expound to all persons who seek him the laws of the land, relating to high interest of property, liberty and life. To this end he is licensed and permitted to charge for his services. The relation he bears to his client implies the highest trust and confidence. The client lays bare to his attorney his very nature and heart, leans and relies upon him for support and protection in the saddest hours of his life. Knowing not which way to go to attain his rights, he puts himself under the guidance of his attorney and confides that he will lead him aright.'

"In the lawyers' tax cases, 8 *Heisk.* 631, Chief Justice Nicholson, in quoting from the *Garland* case among other things, said:

"It is said by a majority of the United States Supreme Court in the case of *ex parte Garland*, 4 Wall. 378, that "the order of admission is the judgment of the court that the parties possess the requisite qualifications as attorney and counselor and are entitled to appear as such and conduct causes therein. From its entry the parties became officers of the court and are responsible to it for professional misconduct."

"And on page 632 Chief Justice Nicholson quotes from the opinion of Mr. Justice Miller in the same case as follows:

"They (attorneys) are essential to the successful working of the courts as clerks, sheriffs and marshals, and perhaps as the judges themselves, since no instance is known of a court of law without a bar."

The court also follows the *Duncan* case. This decision was rendered in February, 1915.

During the past year the state of Missouri has passed a statute in which the practice of law is defined as follows:

"Section 1. The 'practice of the law' is hereby defined to be and is the appearance as an advocate in a representative capacity or the drawing of papers, pleadings or documents or the performance of any act in such a capacity in connection with proceedings pending or prospective before any court of record, commissioner, referee or any body, board, committee or commission constituted by law or having authority to settle controversies. The 'law business' is hereby defined to be and is the advising or counseling for a valuable consideration of any person, firm, association or corporation as to any secular law or the drawing or the procuring of or assisting in the drawing for a valuable consideration of any paper, document or instrument affecting or relating to secular rights or the doing of any act for a valuable consideration in a representative capacity, obtaining or tending to obtain or securing or tending to secure for any person, firm, association or corporation any property or property rights whatsoever."

DIGEST OF STATE LEGISLATION RELATIVE TO UNLAWFUL PRACTICE OF THE LAW.

Generally throughout the United States any one may manage his own case, bringing or defending an action in his own behalf.

In South Carolina any person, whether admitted to the practice of the law or not, may bring or defend an action, provided he does not receive a fee for his services.

In Washington any person, whether admitted or not, may bring or defend an action by special leave of the court.

In New Hampshire any citizen in good standing may bring or defend an action in behalf of another.

But throughout the United States in nearly all other states examinations must be passed and certain requirements complied with before a person may properly hold himself out as entitled to perform services usually performed by a lawyer.

It is specifically made unlawful for any unadmitted and unlicensed person to practice in a court of record in Alaska, Arkansas, California, Colorado, District of Columbia, Georgia, Idaho, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, New York and Utah.

An offense against this inhibition is a misdemeanor in Alaska, Missouri, Nebraska, Nevada and New York. The maximum fines in these states range from \$100 to \$500, the maximum imprisonment from one to six months.

The offense is designated a contempt in Arkansas, California, Colorado, Idaho, Montana, Nevada, New Mexico and Utah. The maximum fines in these states range from \$50 to \$500 the maximum imprisonment from five to ten days.

It will be observed that in Nevada the offense is both a misdemeanor and a contempt.

To practice commonly in any court is unlawful in Alabama, Arizona, Connecticut, Delaware, Florida, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, New Hampshire, New Jersey, and in that part of New York state included within the boundaries of New York City, New York County and Kings County; North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina (providing a fee is charged), South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

The offense is a misdemeanor in Illinois, Kentucky, Maine, Maryland, Michigan, New York State and South Dakota, with maximum fines ranging from \$100 to \$500, and maximum imprisonment ranging from one month to one year.

The offense is a contempt in Iowa and North Carolina, with maximum fines of \$250 and \$50, and a maximum imprisonment of thirty days and one day.

In Alabama the special punishment is a maximum fine of \$200; in Delaware a maximum fine of \$500 and maximum imprisonment of two years; in South Carolina there is a maximum fine of \$500.

Whether one appears in a court or not it is unlawful to misrepresent oneself to be an attorney in Massachusetts, Nebraska, Colorado, California, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Washington, West Virginia and Wyoming.

The offense is a misdemeanor in Nebraska, California, Pennsylvania, South Carolina and West Virginia, involving maximum fines ranging from \$100 to \$500 and maximum imprisonment ranging from thirty days to one year. In Massachusetts the punishment is a maximum fine of \$100 and maximum imprisonment of six months.

Unless one is an admitted attorney it is unlawful to receive a fee for professional advice in Maryland, Minnesota—and in Missouri where the advice concerns probate matters. The maximum fine is \$100, maximum imprisonment thirty days.

Statutes specifically provide against the recovery of a fee in case the foregoing sections are violated in Arizona and Maine.

The general grounds for revoking an attorney's license are the commission of a felony or a misdemeanor involving more turpitude, deceit or willful misconduct, violation of oath, refusal to obey court's orders with respect to professional duty. In each state there is provision disqualifying from practice a clerk of the Supreme or Superior Court, deputy or assistant clerk, sheriff, a justice of the peace, or a county commissioner.

There are statutes in Louisiana, Maryland, Massachusetts, Minnesota, Mississippi, New Jersey, Ohio, Oklahoma and Oregon, generally referring to malpractice and unprofessional conduct which may be construed with respect to solicitation, and penalizing the same with disbarment or damages, fine or imprisonment.

Apparently in but one state—New York—are corporations specifically prohibited from appearing as attorney for another than itself, from practicing or assuming to practice, from furnishing legal advice, from furnishing attorneys or soliciting claims.

But it would seem that special qualifications required of attorneys in the several states would make it unlawful for a corporation to engage or assume to engage in the general practice of the law.

In New York the penalty under the statute is \$5,000 fine, the officers being guilty of a misdemeanor.

Corporations organized to examine titles to real property and to insure them and benevolent corporations are excepted by the law.

TITLE COMPANIES.

The drawing of deeds and the searching of titles was at one time the work of men not always educated as lawyers and not always admitted to the practice of the law. With the coming in of modern corporate methods the searching and examination of titles became a natural part of the insurance of titles, and insurance of titles was a matter of importance in the easier transfer of real estate.

Title companies were chartered, primarily, to insure titles. To examine and search titles was an incident to this **insuring** function.

If the title company is to insure a title, may it draw the deed upon which the policy is to be issued? May it draw the contract for the purchase and sale of the property? May it offer to draw the deed and furnish the services of a lawyer in that connection, in order that it may have the opportunity of insuring the title? May it conduct litigation for the purpose of perfecting a title in the name of a possible insurer? To what extent are these things "necessarily incident to the exercise of the authorized, specifically granted powers contained in its charter? These are the matters we must consider.

On the other hand, those things which they do as **title companies** must be distinguished from those things which they do as **trust companies**. It is clear that insofar as they perform the functions of **trust** companies, they have no greater powers than any other corporate trust company. When, therefore, the trust company offers to draw ones will, as a means of securing the position of trustee under the will, and offers the services of its own attorneys for the purpose, it must find its authority in some express provision of law distinguishing it from any other corporation. The case is not the simple case of the ordinary request of a lay trustee that his own counsel be permitted to draw the trust deed or will. The interest of the grantor is not identical with the interest of the trustee, and ordinarily the trustees' lawyer would not be qualified to safeguard the interests of the grantor. By what change in professional attitude has it become proper for him, who is the **paid coun-**

sel for the trustee, to be also the counsel for the grantor? And if he is to be paid for his services and the employment is secured by **solicitation or advertising**, how has the nature and character of the service been distinguished from that of any lawyer whose business is solicited through his efforts?

Canon 27 of the American Bar Association, approved by the Commercial Law League, refers to such trust companies as "tout-ers." The language is:

"But solicitation of business by circulars or advertisements, or by personal communications or interviews, not warranted by personal relations is unprofessional. It is equally unprofessional to procure business by indirection through touters of any kind, whether allied real estate firms or trust companies advertising to secure the drawing of deeds or wills or offering retainers in exchange for executorships or trusteeships to be influenced by the lawyer."

The condemnation of such practices by the Court is universal. Judge Kelly, in the case of **United States Title Guaranty Company v. Brown**, said:

"The profession of the law, one of the oldest known to civilization, involving the most sacred confidence between man and man, with its past of high ideals and service to humanity, has in the last quarter of a century suffered much from the inroads of the new financial and business methods in this great land of ours. Whether by ill-advised attempts by corporate employers to dominate and direct attorneys and counsel in the conduct of litigation, whether by so-called title companies or casualty insurance corporations, the old ideals in the relation of attorney and client, which meant so much to mankind, have suffered and have been threatened with demoralization. This is wrong. The loss of the individual personal relation involved in the attempt by corporations to practice law is so serious to the community that it is against public policy, and I am inclined to think *malum in se*, but at any rate there is no question that in this state it is unlawful by force of statute..'

In **Gauler v. Solicitor's L. & T. Co.**, 9 Pa. Co. Ct. R., 634, the Court said:

"This defense is based on the notion that not only may title insurance companies do conveyancing, but that they must be employed to do it in order to hold them on their policies. This is a great mistake. They have no right whatever to do conveyancing, draw deeds, write wills and the like. Their conduct in this respect is a usurpation on the commonwealth. No Act of Assembly authorized them to do any such acts, and in these days of corporate greed, it is well to remind them that the law under which they are allowed to insure titles, and to make such contracts, agreements, policies and other instruments as may be required therefor (Act of May 9, 1887, P. L. 159), authorizes them to make and perfect only such contracts as may be required to insure titles, and not to make or convey them. The argument that unless they are permitted to draw deeds and convey titles, they will have none to insure, is as specious as would be an agreement that a fire insurance company should be allowed to make contracts to build houses in order to insure them. The consequence of this usurpation is not only the diversion of their legitimate business from lawyers and conveyancers, but the best school of the students of law, the law

of real estate, is being destroyed. Knowledge of the foundation of the law and accuracy and precision in the use of law language is becoming obsolete. It is bad enough that such usurpations are tolerated without interference, but it is much worse to see the denial of them set up as a defense on a policy of insurance, which the company is authorized to issue and on which, as in this case, it is clearly liable."

Obviously to become a trustee or executor under a will does not require that the trustee or executor shall draw the will or the trust deed. Indeed, so modern is the practice of trustees in publicly offering themselves as fiduciaries that it only began when trustees and executors were permitted to don the corporate form. No one would have thought of a private individual publicly advertising to become trustee or executor under a will and agreeing additionally, as an inducement, that he would have his own lawyer draw the trust deed or will. How, then, can it be said that the drawing of the instrument creating the office is a necessary and incidental exercise of the charter power to act as such an officer? If this position taken by the title companies is unsound, then their entire reasoning falls to the ground, insofar as it is applicable to those advertisements relating to trusts; and this applies with equal force to all the trust companies. We conclude, therefore, that certain matters are clear:

1. Neither a title company nor a trust company may offer to draw a deed of trust or a will for the purpose of becoming trustee or executor.
2. Neither a title nor a trust company may offer to furnish legal service or advice in the drawing of a deed of trust or will.
3. Lawyers who participate in such practices and receive retainers under such circumstances are violating the canons of ethics of their profession.

Proceedings are now pending in New York involving these issues, before the Attorney-General of the State of New York. Efforts made by the title companies to secure an amendment to section 280 of the Penal Law of the state during the session of the legislature in 1915 were unsuccessful.

THE PRACTICE OF THE LAW BY CORPORATIONS.

It is quite clear from the authorities cited in Part I that, regardless of statutes like section 280 of the Penal Law of the State of New York, a corporation may not practice law nor furnish legal advice or legal services.

THE RELATION OF LAWYERS TO THE UNLAWFUL PRACTICE OF THE LAW.

The participation by a lawyer in the unlawful practice of the law by a corporation or lay individual is, in itself, an unprofessional act. In New York several proceedings are now pending against members of the Bar for participating in such practices with lay clients, corporate and individual. The opinion of the court in these matters will have value in clarifying this situation.

THE EMPLOYMENT OF LAY AGENCIES FOR THE SOLICITING OF LAW BUSINESS.

This is condemned by the Canons of Ethics of the American Bar Association, adopted by the League, and in its various phases discussed in the questions and answers of the Committee on Professional Ethics of the New York County Lawyers' Association. (See Questions and Answers 4, 8, 23, 24, 36, 42, 46, 47, 65, 68, 74, 80 and 89.)

Solicitation of business is unlawful in Georgia (penalty, disbarment with a maximum fine of \$1,000, six months' imprisonment), in Maryland (penalty, suspension from practice with a maximum fine of \$100 and thirty days' imprisonment), but this applies only to solicitation of criminal business; in Nevada (if the solicitation is in the form of advertising, disbarment); in North Dakota (disbarment); Virginia (if the litigation solicited is against the State or State officers, loss of license, \$300 fine, sixty days' imprisonment); in Washington (solicitation in jails, hospitals, police courts, etc., six months).

Barratry is unlawful in Alaska, Arizona, Colorado, Illinois and Louisiana and generally throughout the country. The offender is generally liable to be disbarred and may be subject to a maximum fine of \$1,000 and six months' imprisonment.

Advertising for divorce business is specifically made unlawful in Alaska, Illinois, Minnesota and Rhode Island. Offenders are liable to maximum fines ranging from \$100 to \$500, and maximum imprisonment of six months.

Capping in hospitals, jails, etc., is vagrancy in California, felony in Louisiana, if the capper is a court officer; a misdemeanor in Maryland, if the capper is an officer; and is deemed malpractice in Oregon where the business solicited arises out of personal injuries.

In Wisconsin the following statute was introduced. It was not passed:

STATE OF WISCONSIN.

Section 1. There is added to the statutes a new section to read: Section 5404m. (1). No person admitted to practice as a member of the bar of any court of this state shall, either directly or indirectly, by himself or by any person, either before or after action brought, promise or give any valuable consideration to any person or corporation as an inducement to the placing, or in consideration of having placed, in his hands, or in the hands of another, any claim for damages of any nature whatever, for the purpose of bringing an action thereon, or of conducting or assisting in the conduct, or prosecution, or defense, of any action, proceeding or claim of any character.

(2). No person admitted to practice law in any court of this state shall, either directly or indirectly, receive or accept any fee or compensation for services from any person, other than an attorney or counselor at law, duly admitted to practice in a court of record in this state, or a person claiming to be legally entitled to recover or defend in an action or upon a claim in his own right or by right of representation.

(3). No person admitted to practice in any court of this state shall, directly or indirectly, divide or share with any person not admitted to practice law in a court of this state, any fee, emolument or compensation of any kind or nature; nor shall any claim adjuster or solicitor of business or policeman, court or prison official, sheriff or jailer, physician, hospital attache, or any other person, pay or offer to pay, directly or indirectly, to any person admitted to practice law in any court of this state, or receive or offer to receive from any such person, or firm any claimant or litigant, anything of value as a consideration for the placing or having placed in the hands of such practitioner any business requiring services from such practitioner.

(4). Every person convicted of a violation of any of the provisions of this section shall be punished by imprisonment in the state prison for not more than one year, or by a fine of not more than five hundred dollars, nor less than one hundred dollars, or by both such fine and imprisonment. Every such conviction of a person admitted to practice law in this state shall operate as an annulment of his license to appear as an attorney or counselor at law in any court of the state.

Section 2. This act shall take effect upon passage and publication.

Many bar associations throughout the country are now taking the matter up and movements in the direction of legislation and of disciplining of attorneys may be expected from other quarters.

L. MEISEL & CO. VS. NATIONAL JEWELERS' BOARD OF TRADE.

The case against the National Jewelers' Board of Trade was decided in the New York Supreme Court at its February term in 1915. It was an appeal from the judgment of the Municipal Court of the City of New York against the board. It presented the question as to what amounts to the practice of the law on the part of a corporation.

Briefly L. Meisel & Co. asked the National Jewelers' Board of Trade (a New York membership corporation) to collect a claim against one F. W. Wedgren, who was in bankruptcy. The respondent was informed that he would have to file the claim in bankruptcy with the board to enable it to collect. Meisel brought the notes representing the claim to the board and at their request signed a proof of his claim prepared in the board's office. Afterwards the board sent to Meisel a check for \$6.76 which purported to be the amount collected, less \$3.00 charged by the board for its services. It appears that Meisel had another claim against the Pacific Jewelry Co., which he also placed with the board and which the board collected and remitted, less fees. Meisel at the time of the transaction was not a member of the board.

In the Board of Trade's form of voucher attached to the check in the case of Wedgren, the charges of \$3.00 is set opposite the item "suit fee."

The question the court considered was whether a membership corporation organized as a Board of Trade "for purposes other than pecuniary profit" had the right to act for a creditor in a

bankruptcy proceeding. The answer the court said depended on whether such services as were rendered constituted legal services. For if they did, the conduct of the board was illegal, Being both *malum in se* and *malum prohibitum*. That the practice of law by a corporation is contrary to public policy and *malum in se* was decided by the Court of Appeals in the matter of Co-Operative Law Company, 198 N. Y. 479. That the practice is *malum prohibitum* the court says is obvious for the mere reading of section 280 of the New York Penal Law. This law declares that it is unlawful for any corporation:

(1). To practice or appear as an attorney at law for any person other than itself in any court in this state, or before any judicial body.

(2). To make it a business to practice as an attorney at law for any person other than itself in any of said courts.

(3). To hold itself out to the public as being entitled to practice law.

(4). To render or furnish legal service or advice.

(5). To furnish attorneys or counsel.

(6). To render legal services of any kind in actions or proceedings of any nature or in any other way or manner.

(7). In any other manner to assume to be entitled to practice law.

(8). To assume, use or advertise the title of lawyer or attorney-at-law or equivalent terms in such manner as to convey the impression that it is entitled to practice law, or to furnish legal advice, service or counsel.

(9). To advertise that—it has, owns, conducts or maintains a law office or an office for the practice of law or for furnishing legal advice, services or counsel.

(10). To solicit or through its officers, agents, or employes any claim or demand for the purpose of bringing an action thereon or of representing an attorney at law or for furnishing legal advice, services or counsel to a person sued or about to be sued—or who may be affected by an action or proceeding which has been or may be instituted in any court or before any judicial body or for the purpose of so representing any person in the pursuit of any civil remedy.

In determining whether the transactions disclosed in the case constituted the practice of law, the court referred to *Re Duncan* (1909), 83 S. C. 186, p. 189; *Thornton on Attorneys at Law*, in section 69, *Eley v. Miller*; 7 Ind. App. 529, 535, *Matter of City of New York*, 144 A. D. 107; *Matter of Bensel*, 140 A. D. 944, *affd.* 201 N. Y. 531; *Buxton v. Lietz*, 136 N. Y. Supp. 829, 139 N. Y. Supp. 46.

The board having cited *Matter of Associated Lawyers Co.*, 134 A. D. 350, as holding that a corporation could act as a collection agency, the court declared that in the case referred to the court did not so hold, but that its words used in this connection were obiter and unnecessary to the decision.

The court in the case we are reviewing went outside of its way to say, "there is a good deal to be said in favor of holding that the operation of a collection agency, with or without legal proceedings,

constitutes the practice of law, and to bolster up its view it referred to the address of Charles A. Boston before the Cape May Convention of the League in 1913; the report of the Committee on Professional Ethics of the American Bar Association for 1914; the address by George W. Wickersham before the Bar Association of Chicago in 1914; the brief submitted by the Committee on unlawful Practice of the Law of the New York County Lawyers' Association, in the Matter of the Application of Charles L. Apfel v. The National Jewelers' Board of Trade, before the Attorney General; and the report of the Attorney General in the Matter of Charles L. Apfel, for the institution of an action to vacate the charter and annul the corporate existence of the National Jewelers' Board of Trade, reported in the New York Law Journal, September 14, 1914.

The judgment of the lower court to the effect that the conduct of the Board of Trade in this case was illegal, was affirmed.

GROCCERS AND MERCHANTS' BUREAU OF NASHVILLE V. DR. W. E. GRAY.

This action was brought by the bureau against Dr. Gray to collect the sum of \$10.00, growing out of a written contract which provided that in consideration of \$10.00 to be paid monthly at the rate of 80 cents per month, the Bureau would furnish "the following improved and strictly up-to-date service": 1—Rating book, 2—Supplements, 3—Standing of newcomers, 4—Special reports in Nashville, 5—Special reports in Tennessee, 6—List of bankrupts, 7—Free notary work, 8—Free legal advice regarding commercial matters, 9—To keep office open every Saturday evening until six o'clock.

Dr. Gray defended the suit on the ground that the contract was contrary to the public policy of the state and was therefore illegal and void.

The trial of the case below resulted in the dismissal of the plaintiff's case. Judgment was appealed to the Court of Civil Appeals and the judgment was affirmed.

The plaintiff was shown to be a collection agency incorporated under Chapter 58 of the Acts of 1901, providing for the organization of corporations for the purpose of conducting commercial, mercantile and collection agencies for the collection of debts and for the purposes usual and appropriate to the business of such agencies.

The defendant claimed that the plaintiff was engaged in the practice of the law and that such a contract was illegal except when made by a fully licensed attorney. It was further insisted that the contract was void on the ground that it was solicited by the plaintiff.

It was shown that the plaintiff employed a reputable and competent member of the Nashville Bar to give to its clients the legal advice which it contracted to furnish. Counsel for the plaintiff admitted that the corporation was not entitled to practice law, but that in pursuing the course of furnishing counsel it was not attempting to practice law.

In discussing the question as to whether the corporation under the circumstances related was attempting to practice law,

the court cited the matter of the Co-Operative Law Co., 198 N. Y. 479, 19 Am. & Eng. Ann. Cas. 879, and approved of the opinion set forth as to the reasons why a corporation cannot practice law, either directly or indirectly.

The case of *Re Duncan*, reported in 83 S. C. 186, holding that any advice given to clients or action taken for them in matters connected with the law, is practicing law, was also cited with approval.

The court held that under the definitions laid down in the cases and the statutes, there could be no doubt that the giving of legal advice regarding commercial matters is engaging in the practice of law, and the fact that the plaintiff employed a licensed attorney to perform the service for him did not relieve the act of illegality.

MISSOURI LAWS RELATING TO THE UNLAWFUL PRACTICE OF THE LAW.

Missouri Laws, 1915, page 100: Section 2. No person shall engage in the "practice of law" or do "law business" as defined in section 1 hereof, or both unless he shall have been duly licensed therefor and while his license therefor is in full force and effect, nor shall any association or corporation engage in the "practice of law" or do "law business" as defined in section 1 hereof, or both. Any person, association or corporation who shall violate the foregoing prohibition of this section shall be guilty of a misdemeanor and upon conviction therefor shall be punished by a fine not exceeding one hundred dollars and costs of prosecution and shall be subject to be sued for treble the amount which shall have been paid him or it for any service rendered in violation hereof by the person, firm, association or corporation paying the same within two years from the date same shall have been paid and if within said time such person, firm, association or corporation shall neglect and fail to sue for or recover such treble amount, then the State of Missouri shall have the right to and shall sue for such treble amount and recover the same and upon the recovery thereof such treble amount shall be paid into the treasury of the State of Missouri. It is hereby made the duty of the attorney general of the State of Missouri or the prosecuting attorney of any county or city in which service of process may be had upon the person, firm, association or corporation liable hereunder, to institute all suits necessary for the recovery by the State of Missouri of such amounts in the name and on behalf of the state.

Approved March 22, 1915.

Missouri Laws, 1915, page 265: Section 4067a. No person whomsoever shall practice in the Probate Court, it being a court of record, other than a regular, licensed, practicing and reputable attorney, so authorized in this state; and no person shall receive any pay nor compensation for any legal service, for making settlements, annual or final, filing petitions or other documents in any estate, other than such regularly licensed attorney, and no Probate Court shall allow nor permit any pay or fee for any such services to any person, either directly or indirectly, for any purpose. Nor shall any administrator or executor or guardian employ or pay to any such person other than an attorney. The

Probate Court shall not allow any unreasonable, excessive or unjust fee or compensation to be taxed to any attorney, in any estate, and in no case shall such court allow any fee whatever when the work, service or advice done or performed or given by any attorney is wrong, improper or injurious to the estate. Any person whomsoever practicing, charging or receiving fees in the Probate Court without being an attorney as herein required, shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than \$10 nor more than \$100, or by imprisonment not to exceed thirty days in the county jail or by both such fine and imprisonment. Provided, nothing in this section shall be so construed as to prevent any executor, administrator or guardian from making their own settlements and management of their estates if in the opinion of the court entered of record such persons are capable of so doing and the estate will not be injured thereby, but be legally and properly administered. Approved March 23, 1915.

MARYLAND LAW DIRECTED AGAINST CORPORATIONS PRACTICING LAW.

The long-standing complaint of the legal profession against trust companies and other corporations which, by advertisement and otherwise, have been taking away from lawyers a great deal of the most lucrative practice finds expression in Chapter 695 of the Acts of 1916 of Maryland.

The statute prohibits any corporation or voluntary association from holding itself out under the title of lawyer or any equivalent term, or from creating an impression that, either alone or together with some lawyer, it conducts a law office or has facilities for furnishing legal advice in any particular whatsoever.

The act appears to be drawn with the specific purpose of preventing trust companies and other similar corporations from soliciting business in the nature of writing wills or advising as to the manner of doing the same or having the same done. It also strikes at advertisements soliciting trust estates or guardianships or other similar fiduciary positions, wherever a reference is made to legal services to be rendered.

A violation of the act is punishable by a fine of \$500 against the corporation and similar amount against the officer or agent who participates in the illegal act.

The act specifically provides that it shall not apply to the business of examining and insuring titles to real property or to the collection or adjustment of claims by collection agencies or to the defense of an insured by an insurance company under a policy of insurance issued by it.

A DECISION IN THE APPELLATE DIVISION OF THE SUPREME COURT OF NEW YORK IN A MATTER INVOLVING THE QUESTION OF SPLITTING FEES BETWEEN ATTORNEYS AND LAYMEN.

Julius A. Newman is a practicing attorney in New York City. It was charged by the New York County Lawyers' Association that he, in violation of section 274 of the Penal Law of the State

of New York, entered into an unlawful agreement with David L. Ostro, who is not an attorney, whereby said Ostro agreed that he would endeavor to procure said Julius A. Newman to be employed as an attorney to bring actions of law for the recovery of moneys for such clients as said David L. Ostro might thereafter be able to induce from time to time so to employ the said Julius A. Newman, and the said Julius A. Newman in consideration thereof agreed that he would pay over to the said David L. Ostro one-half of any fees which he might receive for any such services.

Certain specific instances of such employment by Ostro of Newman were set forth.

The answer denied that the respondent entered into the unlawful agreement, but that David L. Ostro who conducted a collection agency under the name and title of Ostro-Simon Co. proposed to the respondent that respondent take care of the claims of said company that required the institution of legal proceedings. That at all times the said company was the client with whom the respondent directly negotiated.

In the collection of claims the usual method of the Ostro-Simon Co. was to send a letter to the respondent reading:

"Enclosed herewith you will find complaint verified in the matter of Hyatt v. Geiger, together with a letter received from Geiger at his new address. This claim is given to you on a 10 per cent basis, and if collected we are to receive one-half of 10 per cent from you. This is for bringing suit, and as far as taking judgment. After that, if necessary, different arrangements will be made with our client for examination of debtor in Supplementary Proceedings.

"You will also find enclosed a check for \$3.00 for issuing, serving and filing of summons. Kindly send summons over to be served by the Ostro Detective Bureau."

The usual cost in the event of litigation was for the company to charge its patrons 20 per cent, of which they authorized the respondent to retain 10 per cent for his legal services. The respondent alleged that this practice was not in contravention of section 274 referred to. The respondent further alleged that he never directly bought any claim from the Ostro-Simon Company or gave or promised to give them anything as an inducement to their securing demands for the purpose of bringing action and that he never induced the said company to send him claims of any kind. Further, that he was merely carrying out the usual practice obtaining in the commercial law business.

Section 274 of the Penal Code referred to relates to buying demands on which to bring an action. It reads:

An attorney or counselor shall not:

1. Directly or indirectly, buy, or be in any manner interested in buying, a bond, promissory note, bill of exchange, book debt, or any other thing in action, with the intent and purpose of bringing an action thereon.

2. By himself, or by or in the name of another person, either before or after action brought, promise or give, or procure to be promised or given, a valuable consideration to any person, as an inducement to placing, or in consideration of having placed, in his hands, or in the hands of another per-

son, a demand of any kind, for the purpose of bringing an action thereon, or of representing the claimant in the pursuit of any civil remedy for the recovery thereof. But this subdivision does not apply to an agreement between attorneys and counselors, or either, to divide between themselves the compensation to be received.

3. An attorney or counselor convicted of a violation of any of the provisions of this section, in addition to the punishment by fine and imprisonment prescribed therefor by this section, forfeits his office.

4. An attorney or counselor who violates either of the first two subdivisions of this section, is guilty of a misdemeanor; and on conviction thereof, shall be punished accordingly, and must be removed from office by the Supreme Court."

The respondent claimed that the arrangement was suggested by Mr. Ostro and that he merely received as his fee for the prosecution of the suits one-half of the fee regularly charged by the company to its patrons; that he never had any personal relations with the customers of the agency and that the only clients were the agency. The court calls attention to the fact that in the court proceedings which he instituted he appeared as attorney of record of the individuals who owned the claims. So far as the court proceedings are concerned, he was the attorney for the plaintiffs in the actions and they were his clients. Says the Court:

"If he had failed to account for and turn over the moneys so collected by him as the result of litigation there can be no doubt that he would have been personally responsible to them, a responsibility which they could have enforced by summary proceedings and for such misconduct on his part in his relation of attorney to them he would have been amenable to disciplinary proceedings by this Court. The fact that his appearing as attorney of record in litigated proceedings established by record evidence of the highest character the relation of attorney and client. From the amounts so collected by him he retained 20 per cent as remuneration for services rendered in collecting the claim as the result of litigation and of this he agreed to pay 10 per cent to the collection agency. What was this? Was it a payment by him of a proportion of his fee taken from his client's money, collected by him, to the person or agency securing the client for him, or was the 10 per cent which he retained compensation paid to him by the collecting agency, who, he claims, was his real client for services rendered to it? Whatever way we look at it, it is clear that there was a splitting of the fees between an attorney and the person or party, not an attorney, and not competent to practice law, for legal services rendered to a third person whose attorney of record he was and with whom the relation of attorney and client legally existed.

"The collection agency clearly held itself out as engaged in collecting claims by suit if necessary. Its circular said: 'A 10 per cent fee on all claims, before suit * * * a 20 per cent fee and minimum disbursements on all claims, where suit must be brought.'

Also:

'Terms for suit:

On any sum up to \$1,000.....	10 per cent
On any sum over \$1,000.....	5 per cent
Minimum fee	\$5.00

"'In case of suit, plaintiff is to pay all court costs in advance, in any event, but no fee shall be due the attorney except out of a recovery, unless the claim is contested, and there is extra labor justifying the extra charge. Such must be named and agreed upon. If defendant is to be examined in Supplementary Proceedings, an extra fee is also charged. No suit is commenced unless authority is given.'

"In its letter to respondent it enclosed a complaint verified not by it as plaintiff but by its customer. 'This claim is given to you on a 10 per cent basis and if collected we are to receive one-half of 10 per cent from you. This is for bringing suit, and as far as taking judgment. After that, if necessary different arrangements will be made with our client for examination of detor in supplementary proceedings. In another letter inclosing two verified complaints it said: 'It is understood that this claim is taken on a 10 per cent basis with the usual division between offices.' The respondent therefore did promise and give a valuable consideration to the agency as an inducement to placing or in consideration of placing in his hands a demand for the purpose of bringing an action thereon as prohibited by section 234 of the Penal Law.

"We are clearly of the opinion that the relation was one which this Court cannot sanction or approve. An attorney of record will not be permitted to deny that the relation of attorney and client exists between himself and the person for whom he appears and conducts litigation. Nor can this Court sanction the splitting of fees by an attorney with a layman or a corporation, or a voluntary association not authorized to practice law as an inducement of reward for procuring of business. (Matter of Clark, 108 App. Div., 150; *affd.*, 184 N. Y., 222; Matter of Shay, 133 App. Div., 547; *affd.* on opinion of Ingraham, J., 196 N. Y., 547.)

"As, however, the respondent at the time of the act complained of was a young man about twenty-six years of age, only two years at the bar, with little or no experience, and as the proposition was brought to him by the agency, we think the ends of justice will be sufficiently attained by this disapproval of the character of the relations existing between him and the collecting agency and his censure for his participation therein with a warning to those who may hereafter participate in like transactions."

All concur.

LAW IN NEW YORK PROHIBITING THE PRACTICE OF LAW BY CORPORATIONS AND VOLUN- TARY ASSOCIATIONS.

LAWS OF NEW YORK—BY AUTHORITY.

Chapter 254.

AN ACT to amend the penal law, in relation to prohibiting practice of law by corporations and voluntary associations.

Became a law April 18, 1916, with the approval of the Governor. Passed, three-fifths being present.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section 280 of chapter eighty-eight of the laws of nineteen hundred and nine, entitled "An act providing for the punishment of crime, constituting chapter forty of the consolidated laws," as added by chapter four hundred and eighty-three of the laws of nineteen hundred and nine and amended by chapter three hundred and seventeen of the laws of nineteen hundred and eleven, is hereby amended to read as follows:

Section 280. Corporations and voluntary associations not to practice law. It shall be unlawful for any corporation or voluntary association to practice or appear as an attorney-at-law for any person other than itself in any court in this state or before any judicial body, or to make it a business to practice as an attorney-at-law, for any person other than itself, in any of said courts or to hold itself out to the public as being entitled to practice law, or render or furnish legal services or advice, or to furnish attorneys or counsel or to render legal services of any kind in actions or proceedings of any nature or in any other way or manner, or in any other manner to assume to be entitled to practice law or to assume, use or advertise the title of lawyer or attorney, attorney-at-law, or equivalent terms in any language in such manner as to convey the impression that it is entitled to practice law, or to furnish legal advice, services or counsel, or to advertise that either alone or together with or by or through any person whether a duly and regularly admitted attorney-at-law, or not, it has, owns, conducts or maintains a law office or an office for the practice of law, or for furnishing legal advice, services or counsel. It shall be unlawful further for any corporation or voluntary association to solicit itself or by or through its officers, agents or employees any claim or demand for the purpose of bringing an action thereon or representing as attorney-at-law, or for furnishing legal advice, services or counsel to a person sued or about to be sued in any action or proceeding or against whom an action or proceeding has been or is about to be brought, or who may be affected by any action or proceeding which has been or may be instituted in any court or before any judicial body, or for the purpose of so representing any person in the pursuit of any civil remedy. Any corporation or voluntary association violating the provisions of this section shall be liable to a fine of not more than five thousand dollars and every officer, trustee, director, agent or employee of such corporation or voluntary association who directly or indirectly engages in any of the acts herein prohibited or assists such corporation or voluntary association to do such prohibited acts is guilty of a misdemeanor. The fact that such officer, trustee, director, agent or employee shall be a duly and regularly admitted attorney-at-law, shall not be held to permit or allow any such corporation or voluntary association to do the acts prohibited herein nor shall such fact be a defense upon the trial of any of the persons mentioned therein for a violation of the provisions of this section. This section shall not apply to any corporation or voluntary association lawfully engaged in a business authorized by the provisions of an existing statute, nor to a corporation

or voluntary association lawfully engaged in the examination and insuring of titles to real property, nor shall it prohibit a corporation or voluntary association from employing an attorney or attorneys in and about its own immediate affairs or in any litigation to which it may be a party, nor shall it apply to organizations organized for benevolent or charitable purposes, or for the purpose of assisting persons without means in the pursuit of any civil remedy, whose existence, organization or incorporation may be approved by the appellate division of the Supreme Court of the department in which the principal office of said corporation or voluntary association may be located.

Nothing herein contained shall be construed to prevent a corporation from furnishing to any person, lawfully engaged in the practice of law, such information or such clerical services in and about his professional work as, except for the provisions of this section, may be lawful, provided that at all times the lawyer receiving such information or such services shall maintain full professional and direct responsibility to his clients for the information and services so received. But no corporation shall be permitted to render any services which cannot lawfully be rendered by a person not admitted to practice law in this state nor to solicit directly or indirectly professional employment for a lawyer.

Section 2. This act shall take effect immediately.
State of New York, Office of the Secretary of State, ss:

I have compared the proceeding with the original law on file in this office, and do hereby certify that the same is a correct transcript therefrom and of the whole of said original law.

FRANCIS M. HUGO, Secretary of State.

LAW IN MASSACHUSETTS PROHIBITING THE PRACTICE OF LAW BY CORPORATIONS.

[GENERAL ACTS.]

[Chapter 292.]

An Act to prohibit the practice of law by corporations.
Be it enacted, etc., as follows:

Section 1. It shall be unlawful for any corporation to practice or appear as an attorney-at-law for any person other than itself in any court in this commonwealth or before any judicial body or to hold itself out to the public or to advertise as being entitled to practice law; it shall further be unlawful for any corporation to draw agreements, or other legal documents not relating to its lawful business, or to draw wills, or to practice law, or to hold itself out in any manner as being entitled to do any of the foregoing acts, whether by or through any person or persons, and whether orally or by advertisement, letter or circular; provided, however, that the foregoing shall not prevent any national bank or any bank or trust company incorporated under the laws of this commonwealth from furnishing to persons with whom it may deal or who may apply for the same, through its officers or agents, legal information or legal advice with respect to investments, taxation, or an issue or offering for sale of stocks, bonds, notes or other securities or property.

Section 2. Any corporation violating the provisions of this act shall be liable to a fine of not more than one thousand dollars; and every officer, agent or employe of any such corporation who, on behalf of the same, directly or indirectly, engages in any of the acts herein prohibited, or assists such corporation to do such prohibited acts, shall be deemed guilty of a misdemeanor, and shall be punished by a fine of not more than five hundred dollars.

Section 3. This act shall not prohibit a corporation from employing an attorney or attorneys in and about its own affairs or in any litigation to which it is or may be a party.

Section 4. This act shall not apply to any public service corporation nor to any corporation lawfully engaged in the business of conducting a mercantile or collection agency or adjustment bureau, or lawfully engaged in the examination and insuring of titles to real property, or lawfully engaged in the business of insurance against liability for damages or compensation on account of injury to persons or property, or lawfully engaged in assisting attorneys-at-law to organize corporations, or organized for and lawfully engaged in benevolent or charitable purposes, or organized under the authority of the commonwealth for the purpose of assisting persons without means in the pursuit of any civil remedy, nor shall it prohibit a newspaper from answering inquiries through its columns or any corporation from providing legal advice or assistance to its employes. [Approved June 1, 1916.]

THE LAW OF NEW JERSEY RELATIVE TO THE CONDUCT OF COLLECTION AGENCIES, BUREAUS OR OFFICES, BEING CHAPTER 171, SESSION OF 1914.

Be it enacted by the Senate and General Assembly of the State of New Jersey:

1. No person, partnership, association or corporation shall conduct a collection agency, collection bureau or collection office in this State, or engage in this State in the business of collecting or receiving payment for others of any account, bill or other indebtedness, or engage in this State in the business of soliciting the right to collect or receive payment for another of any account, bill or other indebtedness, or advertise for or solicit in print the right to collect or receive payment for another of any account, bill or other indebtedness, unless at the time of conducting such collection agency, collection bureau, collection office or collection business, or of doing such advertising or soliciting, such person, partnership, association or corporation, or the person, partnership, association or corporation for whom he or it may be acting as agent shall have on file with the Secretary of State a good and sufficient bond as hereinafter specified.

2. Said bond shall be in the sum of five thousand dollars and shall provide that the person, partnership, association or corporation giving the same shall, upon written demand, pay and turn over to or for the person, partnership, association or corporation for whom any account, bill or other indebtedness is taken for collection the proceeds of such collection in accordance with the terms of the agreement upon which such account, bill or other indebtedness was received for collection. Said bond shall be in

such form and shall contain such further provisions and conditions as the Secretary of State shall deem necessary or proper for the protection of the persons, partnerships, associations or corporations for whom said accounts, bills or other indebtedness are taken for collection.

3. Said bond shall be for the term of one year from the date thereof, and must be renewed annually. No action on any said bond shall be begun after two years from the expiration of said bond.

4. Said bond shall be executed by said persons, partnerships, associations or corporations as principal to the State of New Jersey to the use of any party aggrieved with at least two good and sufficient sureties who shall be residents of the State of New Jersey, and the owners in their own name of real estate situate therein, worth at least the sum of ten thousand dollars over and above all liens and encumbrances thereon. Said bond shall not be accepted unless approved by the Secretary of State, and upon such approval, it shall be filed in his office. The bond of a surety company, authorized to do business in New Jersey, may be received if approved as aforesaid; or cash may be accepted in lieu of sureties.

5. The Secretary of State shall keep a record of such bonds filed with him under the provisions hereof, with the names, places of residence and places of business of the principals and sureties, and the name of the officer before whom the bond was executed or acknowledged, and the record shall be open to public inspection. There shall be paid a filing fee of five dollars to the Secretary of State for the filing of each bond.

6. No bond required by this act to be delivered to the Secretary of State shall be approved and accepted by him until it has been examined and approved by the Attorney-General.

7. Any person, member of a partnership or officer of an association or corporation who fails to comply with any of the provisions of this act shall be subject to a fine of not more than five hundred dollars or to imprisonment for not more than three months or to both such fine and imprisonment.

8. This act shall not apply to an attorney-at-law duly authorized to practice in this State, to a national bank, or to any bank or trust company duly incorporated under the laws of this State.

9. This act shall take effect thirty days after its passage.

Approved April 14, 1914.

ILLINOIS LAW PROHIBITING CORPORATIONS FROM PRACTICING LAW.

(House Bill No. 951. Filed June 28, 1917).

AN ACT to prohibit corporations from practicing law, directly or indirectly, making the same a misdemeanor and providing penalties for the violations thereof.

Section 1. Be it enacted by the People of the State of Illinois, represented in the General Assembly: It shall be unlawful for a corporation to practice law or appear as an attorney at law for any reason in any court in this State or before any judicial body, or to make it a business to practice as an attorney at law for any person in any of said courts or to hold itself out to the public as

being entitled to practice law or to render or furnish legal services or advice or to furnish attorneys or counsel or to render legal services of any kind in actions or proceedings of any nature or in any other way or manner to assume to be entitled to practice law, or to assume, use and advertise the title of lawyers or attorney, attorney at law, or equivalent terms in any language in such manner as to convey the impression that it is entitled to practice law, or to furnish legal advice, furnish attorneys or counsel, or to advertise that either alone or together, with, or by or through, any person, whether a duly and regularly admitted attorney at law or not, it has, owns, conducts or maintains a law office or an office for the practice of law or for furnishing legal advice, services or counsel.

2. It shall be unlawful for any corporation to solicit by itself or by or through its officer, agent or employee, any claim or demand for the purpose of bringing an action at law thereon, or for furnishing legal advice, services or counsel, to a person sued or about to be sued in any action or proceeding, or against whom an action or proceeding has been or is about to be brought or who may be affected by any action or proceeding which has been or may be instituted in any court or before any judicial body or for the purpose of so representing any person as attorney or counsel in securing or attempting to secure any civil remedy.

3. Any corporation violating the provisions of this Act shall be liable to a fine of not more than five hundred dollars (\$500), any (and) every officer, trustee, director, agent or employee of such corporation who directly or indirectly engages in any of the acts herein prohibited or assists such corporation to do any such prohibited act or acts is guilty of a misdemeanor and upon conviction shall pay a fine of not less than two hundred dollars (\$200) or more than five hundred dollars (\$500).

4. The fact that any such officer, trustee, agent or employee shall be a duly and regularly admitted attorney at law shall not be held to permit or allow any such corporation to do the acts prohibited herein, nor shall such fact constitute a defense upon the trial of any of the persons mentioned herein for a violation of the provisions of this Act.

5. Nothing contained in this Act shall prohibit a corporation from employing an attorney or attorneys in and about its own immediate affairs or in any litigation to which it is or may be a party, or in any litigation in which any corporation may be interested by reason of the issuance of any policy or undertaking of insurance, guarantee or indemnity, nor shall it apply to associations organized for benevolent or charitable purpose or for assisting persons without means in the pursuit of any civil remedy or the presentation of a defense in courts of law, nor shall it apply to duly organized corporations lawfully engaged in the mercantile or collection business or to corporations organized not for pecuniary profit.

Nothing herein contained shall be construed to prevent a corporation from furnishing to any person, lawfully engaged in the practice of the law, such information or such clerical services in and about his professional work as, except for the provisions of this Act, may be lawful, provided that at all times the lawyer receiving such information or such services shall maintain full pro-

fessional and direct responsibility to his clients for the information and services so received. But no corporation shall be permitted to render such services which cannot lawfully be rendered by a person not admitted to practice law in this State nor to solicit directly or indirectly professional employment for a lawyer.

Filed June 28, 1917.

This bill, having remained with the Governor ten days, Sundays excepted, the General Assembly be in session, it has thereby become a law.

Witness my hand this twenty-eighth day of June, A. D. 1917.

LOUIS L. EMMERSON,
Secretary of State.

UNFAIR FORWARDING AND RECEIVING.

A reform that is greatly needed and is sure to come is in the direction of giving to the attorney who is asked to do the work all the information in the clients' (or forwarder's) possession with reference to the claim itself and the steps already taken to realize on it.

This reform would work greatly to the advantage of all parties. It would assist the attorney in arriving at a speedy conclusion concerning it, and permit of the prompt placing of it with another attorney if it is not wanted by the first.

The notion that Attorney B would return a claim at once if he knew attorney A had had it is a mistaken one. Every lawyer knows that a claim is not necessarily worthless because forsooth some one has said so.

Often one attorney has inside information on a debtor's affairs. Often one attorney has special influence over a debtor that no one else possesses. Often attorney B knows that attorney A is careless, negligent or lazy and that his returning business is only *prima facie* evidence of its being worthless. Often attorney B welcomes an opportunity to show that he can do what attorney A can not do.

But suppose attorney B does take attorney A's report on the matter as final and return it to the sender. The sender has at least got the claim back and can try

again elsewhere without loss of the time and the effort and postage spent on getting reports.

There is a good reason for keeping after delinquent claims by using one attorney after another. Innumerable times it has happened that a second or a third or even a fourth attorney has made good where his predecessors failed. There is no reason for an attorney finding fault that he is asked to do what some one else has tried to do without success. He can know that at the same time some one else is being asked to do what he failed to do.

All attorneys, all offices, are not good commercial offices. Some ignore commercial business, some take it and neglect it, some attend to it half-heartedly, others attend to it properly. The client and the forwarder know this and hence the much traveled claim: The receiving attorney should know this and understand the why of it and not grow red in the face on discovering that some other lawyer has worked or slept on a piece of business he has received.

The receiving attorney has a right to know the history of the claim. What would you say if your client came to see you with his divorce case and said, "I want a divorce from my wife. Get it for me," and refused to give you further information. Suppose I came to you and said "B owes me \$100. Collect it." I ask you, "does he claim an offset, a defense of any sort? Is he in business? What have you done to collect it? What does he say?" You answer, "It is none of your business what I know. Find these things out yourself." Then I go to the debtor and I am told of a defense, of a counterclaim, a part payment not credited. I must return to you and ask what of all this. You answer that you knew all this before and why come to you with it, and you complain. Result, delay, during which the debtor escapes maybe.

The injustice of the present almost universal practice

is self-evident. Men are sent on fool's errands to learn what their clients or some one or more other lawyers have learned and reported. Work and time and expense are duplicated, triplicated, oftentimes quadrupled by this failure to report to the receiving attorney what is already known as to the matter. No wonder the stale claim is neglected, abused and oftentimes consigned to oblivion and reports on it refused.

This case happened in my own experience: Several hours was consumed by me and some expense incurred in visiting a farmer who ignored my letters and all I got was facts that I knew would defeat a suit and that another attorney had preceded me in the effort and had reported the situation to the client. I was mad clear through, not that I was employed to follow another man in the doing of the work, but that I had been cheated out of my time by a trick. My report in that claim scorched the paper it was written on.

Some day a client or Forwarder is going to rise to the true conception of this thing and in his forwarding blank he is going to say: "This matter has been in the hands of John Smith and Edward Jones of your city. Smith reported the party worthless but did not see him. Jones reported the party working on shares for farmer Colson near town and can be made to pay if watched. Did not care to handle it."

Result of the above style of forwarding letter: The attorney receiving it, if he wants business, notes that he can get information on the debtor from two persons in town if he desires it. He does not have to send out a detective to locate the debtor; he knows where he can be found. Perhaps he is farmer Colson's friend or attorney. Through him he will get a line on the debtor and perhaps get a hint as to how he can get his money. At any rate he is well along with the getting of that money before he has moved out of his office chair. Many chances to one, had no information of the sort

reached him, he would have made a desultory effort, dropped the debtor a dunning letter addressed to "general delivery" or to some once-upon-a-time address, and in the course of many moons responded to a savage request for report by returning the claim with "N. G." written across its face; and the client would have deserved the results.

And all the time, gentle reader, remember the lawyer is doing this work on the contingent basis. It is just as if I should say to you, "Here, do this, but if you don't get results you don't get paid" and then deliberately set about making it as hard as possible for you to succeed.

When the *fin de siècle* agency or Forwarder does come with his complete instructions and history of his forwarding items, he is going to meet with the plaudits of the entire receiving world. Every receiving lawyer will rise to call him blessed and great will be his reward.

I am glad to record that the Commercial Law League of America has declared that any Forwarder failing to give full particulars as to the history of prior efforts to collect on sending out a claim is an unfair Forwarder.

Up to date, this declaration is only educational in its force and influence. If the League ever attempts to try Forwarders for this offense it will have before its bar every Forwarder and client from Dan to Beersheba. The League has set the seal of its condemnation on the practice and that is something. I have faith in the future. Its womb is big with promise.

Is it allowable for a Forwarder to take business at one rate of fees and forward it at a lower rate? In other words, is the relation of Forwarder and Receiver that of contractor and subcontractor?

My answer to this is a decided No, unless all the parties including the client are aware of the facts and agree to the arrangement.

Those who take a different view say that the Forwarder's arrangement with the Receiver, is none of the client's business; that having contracted with the Forwarder to execute the commission at a price agreed, the client has no interest in the terms the Forwarder may be able to make with the Receiver and has no reason for inquiring and no right to do so.

Further, they say, if the Receiver is satisfied with the terms offered him what business is it of his to inquire what terms the Forwarder has made with the client. If the Receiver is satisfied, that is enough. It is a clear case of contract in each case to which all are agreed.

First, with reference to the deal between the Forwarder and the Receiver. Let us assume, what is practically always the case, that the Receiver knows nothing of the deal between the Client and the Forwarder. Let us further assume, what is practically always the case, that the Forwarder sends out the business with the demand for one-third of the fee from the Receiver.

The Receiver, ignorant of his principal's deal, has a plain and undisputable right to assume that the fee he is to divide with the Forwarder is the entire fee and not a part of it merely, otherwise, why divide? The Forwarder says in effect to the Receiver I send you this business. The fee is so much. I must have one-third of it for my work in obtaining it, docketing it, sending it to you, and reporting to clients. If the Receiver knew the client had a right to a larger fee he could well return the answer you are already paid. You want not only the part of the fee without division but you want one-third of mine, which custom has allowed to be rebated to compensate the Forwarder for his share of the work.

Suppose A says to B, " I get 25% commission on this matter from the client because it is a case of considerable difficulty. I will allow you 10% and expect you to pay me one-third of that. Would any Receiver

under the sun agree to such conditions? The question answers itself. The unfairness is self-evident. The mere statement of a concrete case shows the absurdity of the position.

The almost universal rule of division of collection commissions is, and from time immemorial has been, two-thirds to Receiver, one-third to Forwarder, and no honest man will claim that this means two-thirds of a part of the fee to the Receiver.

The Receiver has a right to assume that he is getting his share of the fee that the Client pays. If he, in any case, thought he was not getting this, there would be a protest loud and long.

I may be asked why I bring up such a question. It surely can not be that such a practice exists. I answer the practice does exist and to such an extent that the time is fast approaching when steps must be taken by receiving attorneys to stop it. Millions of dollars in doubtful claims are flooding Receivers' offices, sent on the ten and fifteen per cent basis, though sometimes on the munificent twenty-five per cent basis on which Clients have agreed to allow fifty per cent, the forwarder trying out his "subcontractor" on the ten per cent, or fifteen per cent first, in the hope of being able to pocket the difference—a paltry forty or thirty-five per cent.

And this practice is not indulged in alone by scab Forwarders. It is indulged in by some of the best and widest known. I have heard the practice upheld by men who, if I should name them, would be recognized as leaders in the Commercial Law field. And one gave as his best reason that there was so little money in forwarding at one-third of the fees, it was necessary to make the extra out of the client's liberal offer in order to play even. But this sort of an argument would justify a manager hiring men for his principal, paying certain wages, charging up more and pocketing the difference, his plea being that he could not live on the salary allowed him.

I have tried to bring this matter to the attention of bodies of lawyers and committees and found that I was broaching an unpopular topic. But I expect to live to see the day when it will be a live issue and freely discussed.

The receiving attorney is in this matter at the mercy of the Forwarder, because the ethics of his profession will not permit him to go behind the scenes and inquire what fee the Forwarder really is getting.

And yet, entitled as he is to his proportion of the whole fee, may a way not be found of giving him to know the terms of a contract to which he really is a party?

But there is another phase of this question which shows more plainly still the iniquity of the practice, and here we find the CLIENT wronged.

The ordinary terms on collections we will say are the time honored ten percent, now happily superseded by fifteen. The client knows this. He is familiar with the ruling schedule. But knowing his claim is doubtful or desperate, or needing the money badly, he offers the Forwarder twenty-five or fifty per cent. Now mark you he does this for a clearly defined purpose and that purpose is to get extra service or service he would not or could not get at ten percent.

Sometimes the Forwarder approaches him thus: You have given me tough claims, worked over, stale collections, I can not afford to put time on these at the regular rates. Attorneys will not handle them. I must have more. The Client recognizing the situation, allows the Forwarder to write into the contract a liberal percentage.

Suppose, as often happens, the Forwarder docketed these claims, shoved them into the hopper and mails them to his correspondents on his regular forwarding blanks at the good old ten-per-cent-one-third-back rate, wherein does the client get a consideration for his liberal

commission agreement? What extra service does he get from the receiving attorney?

After these claims have traveled awhile the Forwarder may open up and send them out at a twenty-or-twenty-five-per-cent-one-third-back rate, all the time hoping and expecting that here and there he may bag a big fee himself at the expense of the innocent attorney who by hook or crook has brought down one of these impossibles.

In such cases as these there have been two wrongs perpetrated by the Forwarder—one on his client by not buying for him the extra service he has agreed to buy, and one on the attorney by withholding from him his just proportion of the fee the client was prepared to give for the settlement of the claim.

There is no excuse for the practice excepting the excuse of the man who steals—he needs the money.

As a suggestion to receiving attorneys I would say that on all matters that appear on their face to be stale and doubtful, insist upon adequate pay. It will be found that Forwarders when faced with the demand will generally grant it because in such matters they have usually protected themselves by liberal fee allowances on the part of their clients and, if not, they are reasonably sure of being able to obtain such allowances on request. There are few responsible, worth-while Forwarders that handle stale matters on regular rates. Almost invariably they protect themselves. And so should the Receivers.

UNFAIR FORWARDING AND RECEIVING.

The Commercial Law League of America Has Declared the Following to Be Acts of Unfair Forwarding:

1. Withdrawing or requesting the return of an item from the hands of a receiving attorney after acknowledgment and work done on it by the receiving attorney, without just cause or without paying fees. This includes the withdrawal of a claim for the purpose of filing it direct in a bankruptcy proceeding.

2. Failure to pay commissions at regular rates where an account is paid direct after it has reached the receiving attorney's hands, been acknowledged and work started on it, or reducing the rate on said direct payments.

3. Forwarding an item without giving the receiving attorney such information as the forwarder has at the time of forwarding, regarding the character of the claim, the defenses, if any, and such papers as have been furnished by the client, or the substance thereof, together with such steps as the forwarder may have heretofore taken in respect to the collection of the claim, which information is necessary for a proper presentment or handling of the claim on the part of the receiver.

4. Sending an item in a sealed envelope to an attorney with instructions not to open it until advised so to do, but to report to the forwarder regarding the financial responsibility of the debtor whether the claim could be made by suit, and if so when suit should be filed and when judgment could be obtained, with request to hold the envelope until wired to present claim for collection, together with any modification of this procedure; in none of which is the attorney compensated.

5. Intentionally addressing envelopes to debtors containing letters purporting to be written to attorneys, either authorizing or instructing drastic action, for the purpose of deceiving debtor into thinking that the attorney had been so instructed, or using without authority, or without compensation, or his consent, the name and influence of a local attorney.

6. Asking free commercial reports on a promise of business without reasonable cause to believe that the promise can be kept, by agencies whose principal business is the securing reports and whose forwarding business is small compared with the number of reports requested.

7. Getting free commercial reports over a law list from its attorneys under an agreement to use these attorneys in case of business arising in their field, and when such business arises, placing it with an agency (either the publishers of such list or not) which first exhausts every effort to realize direct and, afterwards, and as a last resort, uses the attorneys who have rendered the reporting service. In other words, asking attorneys for free reports, and withholding business from them until it is desperate or worthless. This is aimed particularly at agencies that publish law lists, ask their attorneys to do free reporting, and themselves do a direct collecting and adjusting business over the heads of their attorneys, who in many cases not only do the reporting without compensation, but pay money for the privilege.

8. After having authorized suit, failing to furnish receiving attorney with the necessary evidence to substantiate client's position, and an advance for such costs as may be required by the court in which the action is pending.

9. Forwarding a collection item with a demand for more than one-third of the fee to the forwarder unless the forwarder is compelled to assist the receiving attorney in the briefing of a litigated matter, in the examination of authorities and the preparation of either a brief or pleadings in the case.

10. Obtaining reports on a debtor from one receiving attorney, and, without just cause, sending the account to another attorney for collection.

11. Requiring of receiving attorneys a bonus or representation fee from the forwarder's business, whether for the purpose of assisting the forwarder in increasing the volume of business forwarded or for any other purpose, where there is an agreement for a division of fees on such items as may be sent by the forwarder to the receiving attorney.

12. The unauthorized direct or indirect use of the personal name of an attorney in any communication between the forwarder and the debtor.

13. Failing to pay disbursements or expenses incurred at forwarders' request or court costs taxed against client which have been guaranteed by forwarder.

14. In bankruptcy matters filing a number of claims direct and sending one or more claims to receiving attorney for the purpose of having said receiving attorney keep said forwarder fully advised as to the progress of the bankruptcy proceedings.

15. Attaching more than one law list coupon on any item of business forwarded to receiving attorney or sending bonding notices to more than one law list on any one item forwarded to receiving attorney.

16. Using a form of notice which purports to be a summons or other writ issued by a court, for the purpose of deceiving a debtor into believing that legal action has been actually commenced, or that the communication is a court notice.

17. Seeking to obtain free commercial reports from two or more attorneys on the same individual or firm, either direct or through agencies and law lists, with the express or implied promise to each to give them such law or collection business as the inquirer may have in his town.

18. The failure on the part of the forwarder to pay a fair and reasonable fee for services rendered by the receiver at the instance of the forwarder. This definition not to apply to an instance at the time of the forwarding of the business, the forwarder distinctly advises the receiver that the business is to be transacted upon the credit of the client and not upon the credit of the forwarder.

And the Following as Unfair Receiving:

1. Failing to promptly answer inquiries regarding matters placed for attention.

2. Failing to promptly notify a forwarder if the schedule of rates on which business is sent is not satisfactory.

3. Retaining without previous agreement a larger fee than provided for in the forwarding letter because the item is collected in instalments, or deducting larger or different compensation than provided in the forwarding letter where unusual services are necessary, without first fully advising the forwarder and securing an agreement for such additional compensation.

4. Advising suit in a matter and then charging a suit fee in addition to the full compensation as provided in the forwarding letter without first having made arrangements with the forwarder.

5. Taking as fees moneys obtained as costs unless by agreement.

6. Charging and retaining in one case the fees or costs claimed in another, where there is no authority so to do, particularly where the bill for such fees and costs is in dispute.

7. Failing to report the fact that claim is being collected in small instalments or to remit within a reasonable time any money collected.

8. Failing to return all papers or remit all moneys on items that have been withdrawn by forwarders because of receiver's neglect.

9. Failing to answer inquiries or correspondence or, for any other just cause, failing to disclose his (the receiver's) exact relations to the debtor or his inability to carry out specific instructions by reason of his being under obligations to the debtor's attorney or to another forwarder which presents him from adequately representing or carrying out the instructions of a specific forwarder. In such instances the receiver should place the forwarder in full possession of all facts or return claim at once.

10. Incurring unauthorized expense, not clearly implied or expressly authorized by agreement with client or forwarder.

11. Writing direct to a creditor without first securing the consent of the forwarder, except in such instances as where, from the neglect or fraud of the forwarder, it is necessary in order to fully protect the interests of the client, as well as the receiver, that the forwarder be ignored.

THE COMMERCIAL LAW LEAGUE OF AMERICA

It must be difficult for any one who was not in the active practice of commercial law twenty-five years ago to understand the conditions then existing and to realize the nature and extent of the changes in this field that the quarter century has brought about. I do not propose to take the space to describe these conditions and changes but only to hint at them. There was in those days no mutuality of acquaintance, no combination of effort and no esprit du corps. The business was in its infancy and it was every fellow for himself, and the devil take the hindmost.

In 1889 I was acting in Detroit as attorney for a number of manufacturers in machinery and vehicle lines who used extensively conditional sale contracts and title clause notes. The unsettled state of the law relating to these forms of contracts was such as to give manufacturers dealing throughout many states much and serious trouble.

In the course of my employment it occurred to me that a periodical specializing in this field and keeping abreast with the ever-changing statutes and decisions would meet with hearty approval, and so the monthly periodical entitled "The Collector" came into being. It was not my intention that this paper should seek the patronage of lawyers. It was to be a paper for the manufacturer of farm implements, machinery, vehicles and the like, and as evidence of this I refer you to its first numbers, which contain neither lawyers' cards nor lawyers' names, but, ridiculous as it may seem, did contain advertisements of plows, harrows, feed cutters, corn planters and threshing machines. My own identity as publisher was concealed under the names of two boys in my office, and so far was my law business divorced from it, the first edition was mailed from the kitchen of my home. I must confess that at about this time I was

yearning to trade a college education for something to eat.

Lawyers with an eye to the nimble penny were not slow in recognizing in this queer jumble of law and lawn mowers an opportunity, with the result that ere a year had elapsed lawyers had crowded the implement men into a corner and The Collector had sprung full fledged into the legal world as the first organ, the first champion of the commercial lawyer and his co-workers, the commercial agency and the collection manager.

Passing over the years of pioneering with this magazine, I come to the year 1895. At this time I had several well settled opinions in connection with the commercial law practice and among them was this, that with the immense growth of commerce in this country and the resultant growth in importance of the commercial lawyer as a class, some organization, some co-operation, some united action was necessary to enable him to adequately meet his opportunities and his responsibilities and put the business on a plane that would win it the confidence and respect of the commercial world.

This idea I kept continually at the front in the columns of the "Collector," but not until urged by several of my readers, notably the late George S. Hull, a commercial lawyer of Buffalo, and F. C. Stillson, collection manager of Nichols and Shepard Company, threshing machine manufacturers of Battle Creek, did I decide that it was my privilege and duty to take the lead in an effort to organize the Commercial Law and Collection world, and from the moment of this decision I threw into the project all my energy and all the resources of my business.

Not to weary you with details as to the campaign that followed it may interest you to know that members of my office staff traveled thousands of miles to interview lawyers and awaken interest, holding local meetings in large cities wherever they could get a few men

to listen. Special editions of the Collector were sent broadcast, scores of extra workers were engaged for weeks in mailing explanatory literature, and the country was flooded with thousands of little slips of paper on which were printed "Meet Me at Detroit August 15-17, 1895, Commercial Law Convention." These were supplied from our office to every man who indicated his willingness to help by sending them out in his mail. Conferences with reference to program were held wherever I could get a willing ear, notably with Mr. E. K. Sumerwell.

The legal press of the country were afraid to even mention the project, but not so the Associated Press, which rendered us some assistance in a sensational way.

A meeting of Detroit lawyers called for the purpose of planning entertainment for the visitors met with so timid a response that all idea of local help was given up. Almost every one voiced fear of the outcome and either damned with faint praise or retreated valiantly waving the white feather. But a few of us who could be counted on the fingers of one hand burned our bridges behind us and made for the enemy's country.

The first man to appear at the convention was George S. Hull of Buffalo, and the second was J. S. Leisenring of Altoona, two men who became like Damon and Pythias fighting together for the League every inch of the way during the remainder of their lives.

The convention crowd began to come the day before the opening. It was a wild-eyed and wondering crowd. It fell to my lot to act as reception committee. Every man who appeared in the lobby of the hotel with the dust of the prairies in his whiskers or the dew of the mountains on his brow was piloted at once to the hotel parlor. There, after the fashion of home funerals, he was shaken solemnly by the hand and escorted to a seat among strangers whom he dared not be familiar with. At midnight the lobby and parlors were filled with a

motley crowd composed of over 400 men and women, among whom no group of three or four could be found in which all of the individuals composing the group had met one another before. Indeed I had to introduce men to each other who had officed in the same block in the same city for years without being acquainted. You thus gather some idea of the task before us, that of welding these strange units gathered from every quarter of the country into one harmonious and enthusiastic whole.

At four in the morning of the convention's first day I threw myself upon my bed in the hotel happy in the consciousness that the first stage of the enterprise was a success. The people were there and something was about to happen. When I fell asleep it was to dream of the dawn, when this great company gathered from all parts of the country for a purpose little known and little understood, was to demonstrate its ability to make history that was worth making.

Eliminating from the register women, children, office help and chance visitors, there were 321 able bodied, mentally sound men at this convention, representing 31 states and territories, with one from Canada. Of these there were 32 from south of the Ohio river, 68 from west of the Mississippi and three from New England. Illinois sent 40, of which 32 were from Chicago. New York sent 26, with 14 from New York City. Ohio sent 42, Michigan 92, with 47 from Detroit. There were 22 collection managers present representing some of the biggest business institutions of the country, such as Marshall Field & Co., D. M. Osborne & Co., Gaar, Scott & Co., doing a combined business of over \$200,000,000 a year. There were 49 commercial or collection agency men and just 250 lawyers pure and simple, that is more or less so.

The high ability of the membership of the first convention must be conceded. Many are now among the most prominent lawyers of their respective communi-

ties. One became a lieutenant governor, one a United States senator, some have become general counsel for large interests, as Marshall Field & Co., the Michigan Central Railway, the Westinghouse Electric and Manufacturing Company, the Ford Automobile Works.

Several became presidents of large banks and trust officers in trust companies. Not a few, as U. S. G. Cherry, C. A. Keller, F. T. Lodge, John Haskell Butler, rose to the very top places in great fraternal organizations. One is chairman of a state railway commission, one chairman of the police commission of a large city, several are U. S. district attorneys, several state senators and representatives, one a member of the American commission investigating rural credit systems in foreign countries and several hold offices of honor in state Bar associations. Two have been state attorney generals and sixteen have become judges.

Since 1895 the League has had a steady growth in numbers, influence and power.

At this writing the League has reached a membership of over 5,000, a number that has been eagerly sought by those who have had at heart the increase of the League's influence for the last ten years.

With such an organization as this the years of infancy are years of trial and discouragement. However, the League has never been lacking in brave and confident members who, by keeping their shoulders to the wheel, have brought about steady growth.

The League has been singularly fortunate in its choice of officers. Those who have been at the head of its affairs from the beginning have been earnest, conscientious, industrious and faithful officials. Ofttimes in early days they had to go down in their own pockets to keep the League afloat financially and often had to draw on all their reserve of confidence to keep their courage to the sticking point.

The League has now reached ground where it is unassailable. No clique or combination of men within itself, no scheme or propaganda on the part of those not within its ranks can avail to stop its onward progress.

The constitution and by-laws adopted at the first Convention have been modified from time to time, but to a remarkable degree have they remained intact as written by the founders.

In no particular is the growth in power and influence of the organization shown more plainly than in the spreading of its work among and in behalf of its members.

From being an organization whose main purpose seemed originally to be the stimulating of good fellowship and the making and cementing of professional friendships, with little, if anything, accomplished outside of conventions, the League has developed into a complicated machine with work sufficient to keep its officers and committees well employed and with something for every member to do.

The League has taken its place among the great organizations of the country and stands among the lawyers as the only organization that is doing practical things relating to the practice of the commercial branch of the law.

It would be interesting to go back over the various Conventions and note the many incidents of historical interest that have taken place. This must be left to the hand of the future historian with the time and the enthusiasm necessary to such a story. It, however, should be noted that at these Conventions the League has been addressed by many men prominent in national affairs, among them Hon. Wm. J. Bryan, Hon. Chas. W. Fairchild, Senators and ex-Senators Thurston, Manderson, Wm. Walter Smith, Shafroth, and many judges, Federal and State, referees in bankruptcy, governors, mayors and men of prominence in various walks of life.

It would be improper to close this brief sketch without reference to the social features of the League. Perhaps no organization in the country has developed a stronger social side than has the Commercial Law League of America. Its Conventions from the first have been like family gatherings, which not only members of the League have taken advantage of, but also their families and friends. So many and so varied have been the League's social and entertainment functions, and so profitable its business sessions that once a member has attended a Convention it is rare he misses another and fails to take with him his family and friends.

Those who founded the League in 1895 little dreamed of the character and power of the edifice that would be built on the foundations. Many of us who now live, and strive for the benefit of the League, will doubtless live to see an organization at the close of another decade as far superior to the one we now enjoy as is the present organization over that which existed in the '90s.

Constitution and By-Laws
of the
COMMERCIAL LAW LEAGUE OF AMERICA.
CONSTITUTION.

ARTICLE I.

Name and Objects.

This association shall be known as the Commercial Law League of America. Its objects shall be to promote uniformity of legislation in matters affecting commercial law; to elevate the standard and improve the practice of commercial law; to encourage an honorable course of dealing amongst its members and in the profession at large; and to foster among its members a feeling of fraternity and mutual confidence.

ARTICLE II.

Membership.

Section 1. A white person or a person of Indian descent, either of the full blood or partly of Indian blood and partly white blood, residing in North or South America or within the jurisdiction of the United States, who is a reputable lawyer in active practice, or an officer or manager of a reputable collection agency or bureau, or the publisher or editor of a reputable commercial law journal or legal directory, shall be eligible to membership in this League.

Any member, excepting one who may be elected or appointed to a judicial or executive office, who shall cease to possess the qualifications for membership hereinbefore prescribed, may, by vote of the Executive Committee, have his membership terminated. Thirty (30) days' notice of the contemplated action of the Executive Committee shall be given to such member and the member so proceeded against shall have an opportunity to be heard.

Section 2. The League, at its Conventions, on the recommendation of its Executive Committee, may confer honorary membership on persons of distinction, such membership carrying with it none of the privileges of membership, save the right to sit in convention and take part in debate; and by unanimous vote of the Convention, such honorary membership may carry with it all the privileges of membership in the League.

ARTICLE III.

Officers.

1. The Officers of the League shall be a President, a Vice-President, a Treasurer, a Recording Secretary; there shall also be a Secretary of the League, to be selected as hereinafter provided:

2. These officers, except the Secretary of the League, shall be elected at the annual conventions of the League, and shall serve for one year, or until their successors are elected and qualified.

3. The Executive Committee shall, as soon as practicable after the adjournment of each convention, appoint a Secretary of the League, for a term not to exceed one year, and it shall fix his salary.

ARTICLE IV.

Executive Committee.

Section 1. There shall be an Executive Committee to be composed of the President, the Treasurer and six members to be elected by the League, two each year, for a term of three years each; and each retiring president of the League shall be, ex-officio, a member of the committee for two years next succeeding his official term. At any meeting of the committee six of the members shall constitute a quorum. In the absence of such a quorum at any convention of the League such convention shall immediately elect members pro tem, sufficient to make a quorum, who shall serve during the said convention or until a quorum of regular members appears. The president or the chairman of the Executive Committee may at any time order a vote of the Executive Committee to be taken by mail.

Any point of difference in a matter germane to the purposes of the League between members, or between a member and a non-member, may by agreement be submitted in writing for decision on an agreed statement of facts, and when so submitted shall be determined in the manner following, to wit:

The Secretary of the League may determine same in the first instance, or in his discretion he may submit same in the form of an abstract question, or otherwise, to the Executive Committee.

At the discretion of the President, the decision of the Executive Committee may be published in the Bulletin for the information and guidance of the members

ARTICLE V.

Eligibility for Re-Election.

The President, Vice-President, Recording Secretary and members of the Executive Committee shall not be eligible for re-election for the next succeeding term; provided that this shall not apply to a person appointed to fill a vacancy.

ARTICLE VI.

Standing Committees.

There shall be the following Standing Committees: Bankruptcy, Grievances, House Agencies, Legislative, Lists and Agencies, Membership, Standardizing of Office Methods, Uniform Rate, Unfair Forwarders and Receivers, Finance, Education, Ethics, Complaints Against Law Lists, and Auditing.

There shall also be appointed by the President subordinate legislative committees for each of the several states or territories, and for each of the other possessions of the United States and for each Province of the Dominion of Canada, each subordinate legislative committee to consist of three members.

All committees (excepting only those on Membership, Finance and Auditing) shall consist of five members each and shall be continuous in their membership, excepting that at the close of each administrative year the committeeman standing first in order as named shall retire from membership on the committee. The incoming President shall fill the vacancies in the committees thus made (the new members in each case taking fifth place), and shall select for each committee a chairman from among its members. This enactment shall begin to operate only on the committees appointed by the President elected at the Convention of 1917.

The Committees on Finance and Auditing shall each consist of three members to be appointed by the President, the first named at the time of his taking office and the second named on or before June 1st of his administrative year. The membership in these two committees shall not be continuous.

The Committees on Membership shall consist of one member from each of the several States and Territories, and from each of the other possessions of the United States, and from each province of the Dominion of Canada.

All the committees named in this article may act in meeting or by correspondence, as directed by the Chairman, and the Chairman of each Committee named in this article shall make a report in writing each year of the doings of his Committee, which report shall be submitted thirty (30) days prior to the Convention, to the President, and all, or such portions of the report as shall be directed by the President, shall be published in the Bulletin prior to the Convention.

By direction of the Executive Committee, the work of any Committee of the League may be divided into districts, and one or more members of any Committee assigned to the work of the

Committee in that district. By order of the Executive Committee, the membership of any Committee may be increased.

The President may at any time refer to any committee named in this article any subject germane to the work of such Committee.

All Committee reports shall contain definite recommendations, or proposed resolutions, to the consideration of which the Convention may address itself for action.

ARTICLE VII.

Application for Membership.

An application for membership shall be in writing, with the recommendation of three (3) members of the League, and accompanied by one year's dues. The application shall be filed with the Secretary, who shall notify the members of the League thereof by mail, stating the applicant's residence and occupation, and by whom he is recommended. Unless written objection, giving the grounds therefor, be filed with the Secretary within thirty (30) days from the mailing of such notice, a Certificate of membership shall be issued to such applicant and his name entered upon the membership roll. Upon receipt of an objection to an applicant for membership, the Secretary shall at once transmit to the President the application, the objection and all other papers relating thereto, and the President shall make such investigation as he may deem proper; and unless said application or objection is withdrawn, he shall refer the same to the Executive Committee, together with all information he may have obtained with reference to the same, and said Committee's action thereon shall be final. The membership year shall begin with the date of the certificate.

ARTICLE VIII.

By-Laws.

By-Laws may be adopted or repealed at any session of the League, by a majority of the members present.

ARTICLE IX.

Dues.

The annual dues shall be Five Dollars, payable in advance, and no member in default shall be entitled to any of the privileges of membership. A member remaining in default ninety days after notice thereof, shall be dropped from the roll, provided that payment of dues thereafter within one year from date of default shall have the effect of reinstating him. Of said sum, fifty cents shall be paid as a subscription fee of each member to the Bulletin, published monthly by the League.

The Executive Committee may, for any reason which it may deem sufficient, remit the payment of the dues of any member of the League.

Any member of the League who may have resigned or any member who may have failed to pay his dues and for that reason has ceased to remain a member of the League, and who may desire to have his membership in the League regarded as continuous may upon the payment of all accrued dues in full and by a vote of the Executive Committee be restored to membership.

ARTICLE X.**Annual Convention.**

The League shall convene annually at such time and place as may be determined by the Executive Committee.

ARTICLE XI.**Amendments.**

This constitution may be amended at any regular convention of the League by a vote of two-thirds of the members present and voting thereon, provided that no amendment shall be considered on the day on which it is offered, unless the same has been approved by the Executive Committee.

BY-LAWS.**ARTICLE I.****Duties of Officers, Committees and Employees.**

Section 1. President. The President shall be the Chief Executive of the League, and preside at all meetings thereof. Any action of the President executory in its nature may be suspended by an affirmative vote of a majority of the Executive Committee. He shall sign warrants on the Treasurer for payment of all accounts approved by the Finance Committee. He shall perform such other duties as shall be required of him by the League or the Executive Committee.

Section 2. Vice-President. In the event of the death, absence or disability of the President, the Vice-President shall perform the duties of the President.

Section 3. Executive Committee. The Executive Committee shall have general supervision and direction of the officers, committees and affairs of the League.

Section 4. Secretary. The Secretary shall keep all records, correspondence, books, accounts and other documents belonging to the Executive Committee and the League, except the minutes of the conventions, and perform all other duties usually appertaining to the office. He shall be clerk of the Executive Committee, attend all its meetings, and make and preserve complete minutes of its proceedings. He shall at all times act under the direction of the President, subject to the superintending control of the Executive Committee. He shall receive and pay to the Treasurer all moneys belonging to the League and prepare and transmit to the President warrants upon the Treasurer for payment of all accounts approved by the Finance Committee. He shall be furnished a contingent fund to be disbursed only on voucher checks and to be accounted for monthly to the Finance Committee and the President.

Section 5. Recording Secretary. The Recording Secretary shall discharge his duties in such manner as may be directed by the President.

Section 6. Treasurer. The Treasurer shall be the custodian of the funds of the League, and shall disburse the same on the warrant of the President.

Section 7. Bonding Officers. The Secretary and Treasurer shall each give bond in such amounts as the Executive Committee may from time to time determine.

Section 8. The Bankruptcy Committee. The Bankruptcy Committee shall consider, from time to time, the matter of Amendments to the Bankruptcy Law, and all things germane to the practice and administration of the Bankruptcy Law, and report thereon to the League.

Section 9. The Committee on Grievances. The Committee on Grievances shall investigate and consider all complaints referred to it by the President, against any person who is a member of the League at the time the complaint is lodged. This committee shall also comply with Article 4 of these by-laws.

Section 10. The Committee on House Agencies. The Committee on House Agencies shall investigate all matters affecting the existence of House Agencies referred to it, either by the President or the Secretary. The Committee shall report as to whether or not the Agency named is a House Agency, and upon the report of the House Agency Committee being filed with the Secretary, such report shall be referred to the Executive Committee, who shall determine the question whether the Agency in question is or is not a House Agency. Upon the Executive Committee making its finding in the matter, and in the event that the agency proceeded against is found to be a House Agency, then the name of such Agency shall be reported to the members as a House Agency.

Section 11. The Legislative Committee. The Legislative Committee shall report at each Convention of the League upon all matters affecting Legislation, and especially with respect to the extent to which members of the League may be interested in the interpretation of written laws, in a study of the method of their enactment, and in a realization of the importance of an understanding of the interpretation and method of enactment of written laws on the part of the members of the League.

The Legislative Committee shall also make a study of comparative state laws affecting the work and interests of this League, its members and the object of its solicitude and concern, and report the results of its research to the League and to diffuse information regarding same to the several subordinate legislative committees. The subordinate legislative committees shall, in their respective jurisdictions, co-operate with the general committee on legislation of the League in relation to the performance of the duties and rendition of the service above set forth.

Section 12. Lists and Agencies Committee. The Lists and Agencies Committee shall investigate and report the standing and value each year of the various Legal Publications and Lists. They shall have power, under the authority of the Executive Committee, to make inquiry of various members, and combine the result of such inquiries in tabulated form, for the benefit of the members of the League.

Section 13. Committee on Membership. It shall be the duty of the Committee on Membership, by all proper means within its power, to increase the membership of the League, and to keep with in the membership of the League those who have joined the same.

Section 14. Committee on Standardizing of Office Methods. The Committee on Standardizing of Office Methods shall con-

sider, from time to time, systems which may have for their object the standardizing of office methods.

Section 15. Committee on Uniform Rates. The Committee on Uniform Rates shall, by all means within its power, encourage the adoption of the Schedule of Uniform Rates recommended by the League, and shall report to the Convention, from time to time, what steps in its opinion may properly be taken looking to that end.

Section 16. The Committee on Unfair Forwarders and Unfair Receivers shall consider all matters involving the proper method of Forwarding and Receiving commercial business, and shall report to the Convention such methods as may tend to eliminate unfair practices in forwarding and receiving.

Section 17. Finance Committee. The Finance Committee shall examine and pass on all claims against the League.

Section 18. Education. It shall be the duty of the Committee on Education to carry out the expressed policy of the League with respect to education in the practice of Commercial Law.

Section 19. Auditing Committee. The Secretary and Treasurer shall each transmit, as soon as possible after the last day of each month, a detailed statement of all receipts and disbursements for the preceding months to the President of the League.

Section 20. Complaints against Law Lists:

It shall be the duty of the Committee on Complaints Against Law Lists to take cognizance of complaints made by our members against publishers of law lists and directories; other than such complaints as such committee shall deem trivial, investigate the same, and report the result of its findings to the Executive Committee, who shall take such action in the premises as it deems best to protect the interest of the League and its members; also to propose to the League in Convention from time to time such action as will tend to unify the interests of publisher and subscriber and produce harmony and sympathy in their mutual dealings.

Section 21: Ethics:

The duty of the Committee on Ethics shall be to present to the League from time to time its interpretation of ethical rules laid down by this League and to formulate such new canons or rules as will express the views of the League on questions whose ethical bearing is not already defined or well understood by the members, and to emphasize the accepted canons in their bearing on special and peculiar conditions that oftentimes arise in the field of commercial law and collections; and in general to educate the members of the League toward a high standard of business and professional ethics.

The Fiscal Year of the League shall end on the last day of June of each year, and on or about the first day of July, in each year, the President shall appoint an Auditing Committee, who shall be authorized to employ certified public accountants to audit the books of the League, or may themselves make such audit. Such Committee shall report to the next Convention of the League.

ARTICLE II.

Vacancies.

All vacancies shall be filled for the unexpired term by appointment by the President, which appointment shall be subject to the approval of the Executive Committee. The failure of a member elected or appointed to an office or a committee to accept the same, and qualify therefor, when required, within thirty days after notification, or his failure to maintain membership, shall constitute a vacancy.

ARTICLE III.

Removals from Office.

Section 1. Any officer may be removed for cause by the Executive Committee.

Section 2. Any member of a standing or special committee may be removed for cause by the action of the President.

ARTICLE IV.

Discipline.

Section 1. The Grievance Committee shall consist of five members, to be appointed by the President, elected at the 1916 Convention of the League. Such appointees shall hold office for one (1), two (2), three (3), four (4) and five (5) years, in the order of their designation by the President. Thereafter the President shall annually appoint the successor to the committeeman whose term has expired, and shall fill vacancies caused by resignation, death or otherwise. (The committeeman senior in service shall be the chairman of the committee.)

Section 2. A member of the League who shall be found guilty of improper, immoral or unprofessional conduct, or conduct violative of his duties as such member, may be expelled.

Section 3. A member who shall be disbarred shall be expelled.

Section 4. Charges against a member shall be made in writing to the President or Secretary, but the President may, at his discretion, and on his own motion, by written request, require the Grievance Committee to investigate any member, and in each case the written request shall be deemed a complaint. The President may, and in the event that such charges involve a question of moral turpitude, shall refer the charges to the Grievance Committee, and send the accused a copy thereof, requesting a written reply thereto, which, when received, shall be transmitted to the Grievance Committee. The Grievance Committee shall make such investigation of the charge or charges as it may deem necessary, giving the accused the right to be heard, and shall file its decision, together with all the evidence and correspondence, with the Secretary.

Section 5. If the decision of the committee be to the effect that accused is innocent of the charge or charges, such decision shall be final. If the finding of the Committee is against the accused, he shall stand suspended from the League unless he shall within fifteen days after receipt of copy of the decision of the committee file with the chairman of the Committee his petition in writing requesting a review of such proceedings and a reversal

of the order and ruling of the Grievance Committee, whereupon the chairman of such committee shall within thirty days thereafter file all papers, proofs, arguments and other documents relating to such charges and the hearing had thereon and the decision rendered thereon, with the President of the League, who shall refer the same to the Executive Committee, which committee shall review the record of said proceeding and render such judgment and order as it deems proper, and the decision of the Executive Committee shall be final and conclusive as to the accused and the League. Either side has the right.

Section 6. The Grievance Committee, with approval of President, shall have power to employ counsel and incur all necessary expense of taking testimony and conducting proceedings on accusations against members. It shall file with its report on each charge a statement of its expenses in connection therewith, and the same shall be audited and paid in the same manner as other charges against the League.

ARTICLE V.

Monthly Bulletin.

The League shall publish, under the direction of the Executive Committee, each month a publication, to be known as the "Monthly Bulletin," to be used as the official medium of communication of the League.

The Executive Committee shall have the right, in its judgment, to publish articles of interest to commercial lawyers, and to sell space for advertisements other than professional cards of attorneys, collection agencies or legal directories therein.

ARTICLE VI.

Quorum.

Fifty (50) members shall constitute a quorum at any meeting of the League.

ARTICLE VII.

Rules of Order.

In all questions of order and parliamentary practice not covered by the Constitution and these By-Laws, Robert's Rules of Order shall govern.

HOUSE AGENCIES.

The Commercial Law League of America Has Adopted the Following Resolutions:

Resolved, That the custom generally prevailing in the commercial law and collection world of dividing fees between the forwarder and the receiver never contemplated a division of fees between the attorney and the client; that when an attorney divides his fees with an office employe, whether said employe is on salary or on commission, and whether his place of business is the same as that of his employer or not, nor in any case where the employer gets the benefit of the one-third of the total fee, said attorney is dividing fees with his client; that the attorney is justified, on discovering the fact that he is being asked to di-

vide his fees with the client, in a case where the work is done and the fee earned, in withholding the entire fee; that on the receipt of business from an agency which he knows to be a house agency, or is presumed to know it from the same being published in the League Bulletin, the attorney should return the business and refuse to transact it at other than regular rates without division; that on discovery of the fact that the agency is a house agency during the course of the employment, the attorney should at once refuse to proceed with it, unless on an agreement to pay the full fees; and on the return of the business being demanded, he should be entitled to compensation for work done.

That any collection agency maintained, operated or connected with any manufacturing, mercantile or other commercial establishment, or with a combination of any such establishments, and run in the interest of such manufacturing, mercantile or other commercial establishment, asking for a division of fees, shall be known as a "house agency."

That a person who is in the employ of a single creditor, receiving a stated salary, plus a percentage of the commissions charged for claims sent out by him for attention, shall be classified as a house agency.

That a person or persons handling the commercial collections of another on a salary and turning in to the client or employer the fees he receives from attorneys on a division of fees is a house agency.

That an officer or employe of a business house, on a salary or part salary and part commission, giving all or a part of his time to the law and collection work of his employer, is a house agency, provided he asks a division of the fees.

That in any case where the portion of the fee retained by the forwarder inures to the benefit of the client by way of reimbursing him for the salary or other expenses incident to the employment of the forwarder, such forwarder shall be known as a house agent.

That the League condemns the practice on the part of house agencies and all others of leading attorneys to believe that in dealing with such agencies they are dealing with true middlemen entitled under the custom generally in vogue to a division of fees.

That the Secretary of the League upon being advised of any collection agency or individual conducting business as a House Agency as heretofore defined shall refer the matter to the House Agency Committee for investigation, and upon action by that committee and the Executive Committee as provided, the finding, if it be adverse to the party complained of, be published to the members for their guidance, and the Secretary is directed to request of all members that they send to him the names and addresses of all business houses and individuals conducting such agencies.

That in presenting to the Secretary's office a question or complaint as to a suspected house agency, the members be required to give with their question or complaint all the information they have as to the nature of the agency asked about or complained of and as to whether or not a division of fees was asked, and what induced them to suspect that the agency in question was a house agency.

That inasmuch as an investigation of suspected house agencies requires personal work on the part of individuals in many localities, and as neither the Secretary's office nor the members of the committee can do this personal work excepting in their respective cities, and whereas the League is a mutual, co-operative body, in which each member is bound to do what he can to further its interests, it is the sense of this Convention that the members of the League owe no greater duty to it and to themselves than to promptly and fully render service in their respective localities when called upon by the House Agency Committee to investigate suspected cases of house agencies.

That the Executive Committee be authorized to adopt rules and regulations as to the manner in which the House Agency Committee shall transact its business.

That the name of any member of the League who is himself found to be a house agent shall be dropped from the rolls of the League on a vote of the Executive Committee.

That the Executive Committee be empowered at least once in every twelve months to publish in the League Bulletin complete data as to bar rates in towns and cities, so arranged or tabulated as to be of practical use in the forwarding for business.

APPENDIX

**DIRECTORY OF ADJUSTMENT BUREAUS CONDUCTED
BY LOCAL CREDIT MEN'S ASSOCIATIONS.**

- California, Los Angeles, F. C. De Lano, Mgr., Higgins Bldg.
 California, San Diego, Carl O. Retsloff, Mgr., 607-608 Spreckles' Bldg.
 California, San Francisco, Felix S. Jeffries, 461 Market St.
 Colorado, Pueblo, F. L. Taylor, Mgr., 410 Central Block.
 Connecticut, New Haven, Adjustment Committee, Clarence W. Bronson, 129 Church St.
 District of Columbia, Washington, R. Preston Shealey, Secy. and Mgr., 726 Colorado Bldg.
 Florida, Jacksonville, H. Lyle, Mgr., 506 Dyal-Upchurch Bldg.
 Florida, Tampa, Arthur Masters, 320 Citizens' Bank Bldg.
 Georgia, Atlanta, H. A. Ferris, Mgr., 304 Chamber of Commerce Bldg.
 Georgia, Augusta, H. M. Oliver, Mgr., 6 Campbell Bldg.
 Georgia, Macon, J. B. Meyer, Mgr., Macon Association of Credit Men.
 Georgia, Savannah, E. J. Sullivan, Sec'y, Savannah Salvage & Adjustment Bureau, Germania Bank Bldg.
 Idaho, Boise, D. J. A. Dirks, Mgr., 305 Idaho Bldg.
 Illinois, Chicago, M. C. Rasmussen, Mgr., 10 S. La Salle St.
 Illinois, Decatur, C. A. McMillen, 409 Milliken Bldg.
 Indiana, Evansville, H. W. Voss, Mgr., Furniture Exchange Bldg.
 Indiana, Indianapolis, W. E. Balch, Mgr., 7th Floor News Bldg.
 Indiana, Muncie, Roy W. Clark, 615 Wysor Bldg.
 Indiana, South Bend, L. M. Hammerschmidt, 710 J. M. S. Bldg.
 Iowa, Cedar Rapids, J. J. Lenihan, Mgr., Luberger & Lenihan.
 Iowa, Davenport, Isaac Petersberger, Mgr., 222 Lane Bldg.
 Iowa, Des Moines, A. W. Brett, Mgr., 708 Youngman Bldg.
 Iowa, Sioux City, Peter Balkema, 601 Trimble Bldg.
 Kansas, Wichita, M. E. Garrison, Mgr., 1009 Beacon Bldg.
 Kentucky, Lexington, C. L. Williamson, Mgr., 1312 Fayette National Bank Bldg.
 Kentucky, Louisville, Chas. Fitzgerald, Mgr., 45 U. S. Trust Co. Bldg.
 Louisiana, New Orleans, E. Pilsbury, Supt., 608 Canal-Louisiana Bank Bldg.
 Maryland, Baltimore, S. D. Buck, Mgr., 100 Hopkins Place.
 Massachusetts, Boston, H. A. Whiting, Sec'y, 77 Summer St.
 Michigan, Grand Rapids, Walter H. Brooks, Sec'y, 337 Michigan Trust Bldg.
 Michigan, Saginaw, John Hopkins, Sec'y, 315 Bearinger Bldg., Saginaw.
 Minnesota, Duluth, W. O. Derby, Mgr., 621 Manhattan Bldg.
 Minnesota, Minneapolis, J. P. Galbraith, Mgr., 241 Endicott Bldg., St. Paul.
 Minnesota, St. Paul, John P. Galbraith, Mgr., 241 Endicott Bldg.
 Missouri, Kansas City, J. T. Franey, Mgr., 303-7 New England Bldg.
 Missouri, St. Louis, J. W. Chilton, 330 Boatmen's Bank Bldg.
 Montana, Billings, H. C. Stringham, Sec'y, Electric Bldg.
 Montana, Butte, R. E. Clawson, Asst. Sec'y, Ind. Telephone Bldg.

- Nebraska, Lincoln and Omaha, E. E. Closson, Mgr., Karbabch Block, Omaha.
- New Jersey, Newark, F. B. Broughton, Mgr., 671 Broad St.
- New York, Buffalo, W. B. Grandison, Mgr., 1001 Mutual Life Bldg.
- New York, Syracuse, Central New York Credit and Adjustment Bureau, Inc., C. A. Butler, Mgr., 702-703 Snow Bldg.
- Ohio, Cincinnati, John L. Richey Sec'y, 631 Union Trust Bldg
- Ohio, Cleveland, T. C. Keller, Commissioner, 326 Engineers Bldg.
- Ohio, Columbus, B. G. Watson, Mgr., 411 The New First National Bank Bldg.
- Ohio, Toledo, Fred A. Brown, Mgr., 723 Nicholas Bldg.
- Ohio, Youngstown, W. C. McKain, Mgr., 1106 Mahoning National Bank Bldg.
- Oklahoma, Oklahoma City, Eugene Miller, Mgr., 625 Insurance Bldg.
- Oklahoma, Tulsa, W. A. Rayson, Mgr., Simmons Bldg.
- Oregon, Portland, W. B. Layton, Mgr., 641 Pittock Block.
- Pennsylvania, Allentown, Lehigh Valley Association of Credit Men, J. H. J. Reinhard, 402 Hunsicker Bldg.
- Pennsylvania, Newcastle, Roy M. Jamison, Mgr., 509 Greer Block.
- Pennsylvania, Philadelphia, David A. Longacre, Room 801, 1011 Chestnut St.
- Pennsylvania, Pittsburgh, A. C. Ellis, Mgr., 1209 Chamber of Commerce Bldg.
- Pennsylvania, Wilkes-Barre, G. H. McDonnell, Sec'y, 720-724 Miners' Bank Bldg.
- Rhode Island, Providence, Lewis Swift, Jr., Commissioner, 1117 Turks Head Bldg.
- South Carolina, Columbia, J. M. Cozart, 1108 Palmetto Bank Bldg.
- Tennessee, Chattanooga, J. H. McCallum, Mgr., Hamilton National Bank Bldg.
- Tennessee, Memphis, Oscar H. Cleveland, Mgr., Business Men's Club Bldg.
- Tennessee, Nashville, Chas. H. Warwick, Mgr., 803-805 Stahlman Bldg.
- Texas, El Paso, S. W. Daniels, Mgr., 35 City National Bank Bldg.
- Texas, Houston, F. G. Masquelette, 1117 Union National Bank Bldg.
- Texas, San Antonio, Henry A. Hirshberg, Mgr., Chamber of Commerce.
- Utah, Salt Lake City, Walter Wright, Mgr., 1411 Walker Bank Bldg.
- Virginia, Norfolk, Shelton N. Woodard, Mgr., 1210 National Bank of Commerce Bldg.
- Virginia, Richmond, Jo Lane Stern, Mgr., 905 Travelers' Insurance Bldg.
- Washington, Seattle, L. H. Macomber, Mgr., Polson Bldg.
- Washington, Spokane, J. B. Campbell, Mgr., 1124 Old National Bank Bldg.
- Washington, Tacoma, W. W. Keyes, Mgr., 802 Tacoma Bldg.
- West Virginia, Clarksburg, Central W. Va. Credit and Adjustment Bureau, U. R. Hoffman, Mgr., 410 Union Bank Bldg.
- West Virginia, Huntington, Tri-State Credit and Adjustment Bureau, Inc., G. C. Adams, Mgr., 705 Frist Nat. Bank Bldg.
- West Virginia, Parkersburg, H. W. Russell, Mgr., Rectory Bldg.

- West Virginia, Wheeling, J. E. Schellhase, Mgr., Room 8, Market Auditorium.
 Wisconsin, Fond du Lac, A. P. Baker, Commercial Nat. Bank Bldg.
 Wisconsin, Green Bay, J. V. Rorer, 212 Bellin-Buchanan Bldg.
 Wisconsin, Milwaukee, S. Fred Wetzler, Mgr., 734 First National Bank Bldg.
 Wisconsin, Oshkosh, Chas. D. Breon, Mfg., 83 Monument Square; Asst. Mgr., Bessie Cronk, 83 Monument Square.

OFFICES OF R. G. DUN & CO.

- Abilene, Tex., Pine and N. Third Streets.
 Albany, N. Y., 49-51 State Street.
 Albuquerque, N. Mex., State National Bank Bldg., Central Avenue and Second Street.
 Allentown, Pa., Allentown National Bank Building, Seventh Street and Central Square.
 Amarillo, Tex., 513½ Polk Street.
 Atchison, Kan., 120 North Fifth Street.
 Atlanta, Ga., Austell Building, 10 North Forsyth Street.
 Augusta, Ga., 851 Broad Street.
 Austin, Tex., corner Sixth and Congress Streets.
 Baltimore, Md., Maryland Trust Building, Calvert and German Streets.
 Bganor, Me., Columbia Building, 15 Columbia Street.
 Beaumont, Tex., Pearlstein Building.
 Beaver Falls, Pa., 1211-13 Seventh Avenue.
 Binghamton, N. Y., Phelps Bank Building, 18 Chenango Street.
 Birmingham, Ala., Woodward Building, First Avenue and Twentieth Street.
 Boston, Mass., 3 Winthrop Square and 36 Otis Street.
 Bridgeport, Conn., 83 Fairfield Avenue.
 Buffalo, N. Y., Dun Building, 112 Pearl Street.
 Butte, Mont., 126 West Granite Street.
 Cairo, Ill., 617 Ohio Street.
 Canton, O., Renkert Building, corner Market Avenue North and Third Street Northeast.
 Cedar Rapids, Iowa, Cedar Rapids Savings Bank Building.
 Charleston, S. C., 191 Meeting Street.
 Charleston, W. Va., Citizens' National Bank Building.
 Chattanooga, Tenn., Hamilton National Bank Building, Seventh and Market Streets.
 Chicago, Ill., New York Life Building, La Salle and Monroe Sts.
 Cincinnati, O., First National Bank Building, Fourth and Walnut Streets.
 Cleveland, O., Century Building, 414 Superior Avenue, N. W.
 Columbia, S. C., National Loan & Exchange Bank Building.
 Columbus, Ga., Gilbert Building, 17½ East Twelfth Street.
 Columbus, O., Brunson Building, 145 North High Street.
 Dallas, Tex., 108½ Field Street.
 Davenport, Iowa, Putnam Building, Second and Main Streets.
 Dayton, O., Conover Building, Third and Main Streets.
 Denver, Colo., Exchange Building, Fifteenth and Arapahoe Streets.
 Des Moines, Iowa, Securities Building, 412-416 Seventh Street.
 Detroit, Mich., Union Trust Building.
 Dubuque, Iowa, Kiene Building, Fourth and Main Streets.

Duluth, Minn., Lonsdale Building, Superior Street and Third Avenue West.

Easton, Pa., Northampton and Fourth Streets.

Elmira, N. Y., Hulett Building, East Water and Lake Streets.

El Paso, Tex., Guaranty Trust Building.

Erie, Pa., Penn Building, State and Eighth Streets.

Evansville, Ind., corner Fourth and Vine Streets.

Fort Smith, Ark., First National Bank Building.

Fort Wayne, Ind., Calhoun and Main Streets.

Forth Worth, Tex., Dan Waggoner Bldg., Sixth and Houston Sts.

Galveston, Tex., Twenty-second and Mechanic Streets.

Gloversville, N. Y., Knox Building, 52-58 South Main Street.

Grand Rapids, Mich., Michigan Trust Company Building.

Green Bay, Wis., Room 411 Bellin-Buchanan Building.

Greenville, S. C., 134 North Main Street.

Harrisburg, Pa., Commonwealth Trust Building, 222 Market Street.

Hartford, Conn., 36 Pearl Street.

Helena, Mont., National Bank of Montana Building, corner Edwards and Main Streets.

Houston, Tex., Franklin and Travis Streets.

Indianapolis, Ind., State Life Building.

Jacksonville, Fla., 137 East Forsyth Street.

Jamestown, N. Y., 114 West Third Street.

Jersey City, N. J., Commercial Trust Building, 15 Exchange Place.

Kansas City, Mo., 1012 Baltimore Avenue.

Keokuk, Iowa, Young Men's Christian Association Building.

Knoxville, Tenn., 529-531 Gay Street.

La Crosse, Wis., Batavia National Bank Building.

Lincoln, Neb., Tenth and O Streets.

Little Rock, Ark., 7, 8 and 9 Bank of Commerce Building.

Los Angeles, Cal., International Bank Bldg., Temple and Spring Sts.

Louisville, Ky., Board of Trade Building, Third and Main Streets.

Lynchburg, Va., Lynchburg National Bank Building, 914 Main St.

Macon, Ga., Fourth National Bank Building.

Memphis, Tenn., 40 South Main Street.

Menominee, Mich., First National Bank Building, Main Street and Ogden Ave.

Meridian, Miss., Sixth Street and Twenty-second Avenue.

Milwaukee, Wis., Wells Building, Wisconsin and Milwaukee Sts.

Minneapolis, Minn., Commercial Bldg., Third St. and First Ave. N.

Mobile, Ala., 12-14 St. Joseph Street.

Montgomery, Ala., First National Bank Building, Commerce and Court Square.

Muskogee, Okla., Second and West Okmulgee Streets.

Nashville, Tenn., 30½ Third Avenue N.

Newark, N. J., 665-671 Broad Street.

New Haven, Conn., 129 Church Street.

New Orleans, La., Camp and Common Streets.

Norfolk, Va., 113 East Plume Street.

Oakland, Cal., Fourteenth Street and Broadway.

Oklahoma, Okla., American National Bank Building, Main and Robinson Streets.

Omaha, Neb., Fourteenth and Farnam Streets.

Ottumwa, Iowa, 209-211 East Second Street.

- Paducah, Ky., City National Bank Building, Fourth Street and Broadway.
- Paterson, N. J., 152 Market Street.
- Pensacola, Fla., American National Bank Building, 226 South Palafox Street.
- Peoria, Ill., 301-307 South Adams Street.
- Philadelphia, Pa., Lincoln Building, Broad Street and South Penn Square.
- Phoenix, Ariz., National Bank of Arizona Building.
- Pittsburgh, Pa., Liberty Avenue and Sandusky Street.
- Portland, Me., 31½ Exchange Street.
- Portland, Ore., 211-222 Morgan Building, Washington Street and Broadway.
- Providence, R. I., 17 Exchange Street.
- Pueblo, Colo., 118 Pope Block, Main and Fourth Streets.
- Quincy, Ill., 529 Hampshire Street.
- Reading, Pa., Farmers' National Bank Building.
- Richmond, Va., Ninth and Main Streets.
- Rochester, N. Y., Rooms 502-506 Insurance Building.
- Rockford, Ill., William Brown Building.
- Sacramento, Cal., Eighth and K Streets.
- Saginaw, Mich., 208-209 Eddy Building.
- St. Joseph, Mo., Corby-Forsee Building.
- St. Louis, Mo., 510 Locust Street.
- St. Paul, Minn., Fourth and Wabasha Streets.
- Salt Lake, Utah, Tribune Building, 119 South Main Street.
- San Antonio, Tex., 130 West Commerce Street.
- San Diego, Cal., Sixth and E Streets.
- San Francisco, Cal., 201 Sansome Street.
- Savannah, Ga., Germania Bank Building, Bull and Congress Sts.
- Scranton, Pa., Connell Building, 131 North Washington Avenue.
- Seattle, Wash., 1201-1206 Alaska Building.
- Sedalia, Mo., Citizens' National Bank Bldg., Main and Ohio Sts.
- Selma, Ala., Gillman Building, Broad Street, between Water and Alabama Streets.
- Sherman, Tex., 202 North Travis Street.
- Shreveport, La., First National Bank Building.
- Sioux City, Iowa, Metropolitan Block, Fourth and Jackson Streets.
- Spokane, Wash., Hutton Bldg., Washington St. and Sprague Ave.
- Springfield, Mass., Stearns Building, 293 Bridge Street.
- Springfield, Mo., over Union National Bank, Public Square.
- Springfield, O., Fairbanks Building, Main St. and Fountain Ave.
- Syracuse, N. Y., Wieting Block, South Salina and Water Streets.
- Tacoma, Wash., National Realty Building.
- Tampa, Fla., 501½ Franklin Street.
- Terre Haute, Ind., Room 310 Terre Haute Trust Building.
- Toledo, O., Chamber of Commerce Building, 214 Summit Street.
- Topeka, Kan., New England Building, S. W. cor. Fifth Street and Kansas Avenue.
- Trenton, N. J., Forst-Ritchy Building.
- Troy, N. Y., Cannon Place, Broadway and Second Street.
- Tulsa, Okla., 330 and 331 Mayo Building.
- Utica, N. Y., 108-112 Genesee Street.
- Waco, Tex., Rooms 417, 423 and 425 Peerless Building.

Washington, D. C., 613 Fifteenth Street, N. W.
 Waterloo, Iowa, Commercial Bank Building.
 Wheeling, W. Va., National Exchange Bank Building, Twelfth and Main Streets.
 Wichita, Kan., 114-118 South Main Street.
 Wilkes-Barre, Pa., West Market and South Franklin Streets.
 Williamsport, Pa., 120 West Fourth Street.
 Wilmington, Del., Ninth and Market Streets.
 Wilmington, N. C., Front and Markets Streets.
 Winston-Salem, N. C., Masonic Temple Building, Fourth and Trade Streets.
 Worcester, Mass., 18 Franklin Street.
 Youngstown, O., Mahoning Bank Building, Pulic Square.
 Zanesville, O., Masonic Temple, North Fourth Street.

CANADA.

Calgary, Alberta, 705 Second Street, West.
 Edmonton, Alberta, 916 McLeod Building, southwest corner Mc-Dougall and Rice Streets.
 Halifax, N. S., Royal Bank Building, George and Hollis Streets.
 Hamilton, Ont., 11 Hughson Street, South.
 Lethbridge, Alberta, 306 Seventh Street, South.
 London, Ont., corner Richmond and King Streets.
 Montreal, Que., Board of Trade Building, St. Sacrament Street.
 Moose Jaw, Sask., 407 Walter Scott Building, 12 High Street, East.
 Ottawa, Ont., Booth Building, Sparks Street.
 Quebec, Que., 126 St. Peter Street.
 Regina, Sask., 1872 Scrath Street.
 St. John, N. B., 65 Prince William Street.
 Saskatoon, Sask., 116 Third Avenue, South.
 Toronto, Ont., King, Yonge and Melinda Streets.
 Vancouver, B. C., 908-915 Standard Bank Building.
 Victoria, B. C., 408 Pemberton Building.
 Winnipeg, Manitoba, Keewayden Building, 138 Portage Ave., E.

THE LEADING TRADE AGENCIES OF THE UNITED STATES.

Automobiles.

Lucas Credit Service Corporation, 220 Broadway, New York City.

Books and Stationery.

The Stationers and Publishers' Board of Trade, 99 Nassau St., New York City.

Graphic Arts Board of Trade, 291 Broadway, New York City.

Typo Mercantile Agency, 373 Fourth Ave., New York City.

Cloaks, Suits, Skirts.

Cloak, Suit and Skirt Manufacturers' Association, 220 Fifth Ave., New York City.

Clothing.

Clothiers' Association of New York, 13 Astor Pl., New York City.

American Clothing Manufacturers' Association, 742 Broadway, New York City.

Coal.

Coal Credit Bureau, 29 Broadway, New York City.

Confectionery and Kindred Lines.

Confectioners' Mercantile Agency, 309 Broadway, New York City.
(Advertises offices in Philadelphia, Baltimore, Boston and Chicago. Publishes the Credit Guide Reference Book for the confectionery and kindred lines).

Credit Insurance Collections.

American Credit Indemnity Co., 91 West St., New York City.
Credit Insurance Adjustment Co., 55 John St., New York City.

Crockery, Glass, Lamps, Gas and Electric Fixtures, House Furnishings, Toys.

Crockery Board of Trade, 126 Fifth Ave., New York City.
House Furnishing Board of Trade, East Liverpool, Ohio.

Drugs, Chemicals, Etc.

Drug, Chemical and Allied Trades Protective Association, 116 Nassau St., New York City.

Dry Goods.

Wood's Dry Goods Commercial Agency, 320 Broadway, New York City.

Electric Goods.

Vose & Page, Marquette Building, Chicago, Ill.

Florists' Supplies.

National Florists' Board of Trade, 56 Pine St., New York City.

Fruit, Produce, Groceries.

Produce Reporter Co., 212 W. Washington St., Chicago Ill.; S. R. Brown, counsel.

Furniture.

Lyon Furniture Mercantile Agency, 258 Broadway, New York City.
(Offices in New York, Boston, Philadelphia, Cincinnati, Chicago, St. Louis, Grand Rapids, Jamestown, N. Y., and High Point, N. C.).
The Central Bureau, Monadnock Building, Chicago, Ill.

Fur.

Richard S. Otto, Actuary the Fur Merchants' Credit Association of the City of New York, 218 Fifth Ave., New York City.
The Associated Fur Manufacturers, Inc., 303 Fifth Ave., New York City.
Fur Dressers and Dyers' Association, Inc., 43 West Twenty-seventh St., New York City.

Groceries and Bakeries.

Wholesale Grocers and Bakers' Association, 1451 Broadway, New York City.

Hardware.

Hardware Board of Trade, Ltd., 291 Broadway, New York City.
Iron and Steel Board of Trade, 233 Broadway, New York City.
Material Men's Mercantile Association, 41 Park Row, New York City.

Consolidated Building Credit Association, 507 Fifth Ave., New York City.

Credit Association of Building Trades of New York, 120 Broadway, New York City.

Insurance Premium Collections.

James F. O'Neil, 1 Liberty St., New York City.

Jewelry.

National Jewelers' Board of Trade, 15 Maiden Lane, New York City.

(Does not handle collections).

Thomas Fleming Walsh, 99 Nassau St., New York City.

(Offices also in Chicago).

Frank M. Hickok, 5 S. Wabash Ave., Chicago, Ill.

Manufacturing Jewelers' Board of Trade, Providence, R. I.

Lace and Embroidery.

Lace and Embroidery Association, 949 Broadway, New York City.

Lumber.

Lumbermen's Credit Association, 608 S. Dearborn St., Chicago; 80 Maiden Lane, New York City.

National Wholesale Lumber Dealers' Protective Association, 66 Broadway, New York City.

Men's Furnishings.

Wholesale Men's Furnishings Association, 200 Fifth Ave., New York City.

Millinery.

Eastern Millinery Association, Williams, Folsom & Strouse, counsel, 51 John St., New York City.

(Note.—The Association itself does not handle collections. The business falls to its counsel).

Paints, Oils and Varnish.

Paint, Oil and Varnish Credit Association, 10 S. La Salle St., Chicago, Ill.

Saddlery.

Wholesale Saddlery Association of the United States, 30 N. La Salle St., Chicago, Ill.

Sash, Doors, Blinds and Millwork.

National Sash and Door Credit Association, 1210 Steger Building, Chicago, Ill.

Shoes and Leather.

The Shoe and Leather Mercantile Agency, 183 Essex St., Boston, Mass.

(Offices at Boston, New York, Philadelphia and Chicago).

Surgical and Dental Supplies.

Frederick B. Hovey, 69 W. Washington St., Chicago, Ill.

Oil.

Oil Trades Credit Bureau, 299 Broadway, New York City.

Leaf Tobacco.

Leaf Tobacco Board of Trade, 141 Maiden Lane, New York City.

Undertaking Supplies.

The Central Bureau, Monadnock Building, Chicago, Ill.

OFFICERS OF THE COMMERCIAL LAW LEAGUE OF AMERICA

Headquarters: 108 So. La Salle St., Chicago.

President: W. H. H. PIATT-----Kansas City, Mo.
 Vice-President: J. C. LAMOTHE-----Montreal, Que.
 Treasurer: W. O. HART-----New Orleans, La.
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EXECUTIVE COMMITTEE**One Year**

W. M. Crook, Crook, Lord, Lawhon & Ney-----Beaumont, Tex.
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Edward F. Flynn, Flynn & Traynor-----Devils Lake, N. D.
 Marshall D. Wilber, Wilber Mercantile Agency-----Chicago
 E. E. Donnelly-----Bloomington, Ill.

Three Years

Thad. M. Talcott, Jr.-----South Bend, Ind.
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OFFICES OF THE CREDIT CLEARING HOUSE

New York City.	Milwaukee, Wisconsin.
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New Orleans, Louisiana.	Des Moines, Iowa.
Cleveland, Ohio.	San Francisco, California.
Atlanta, Georgia.	

The officers of this Company are so well known in their respective cities that street addresses are not necessary. Those starred cities are not collection offices.

The central office of the Clearing House is at 440 Fourth Avenue, New York City.

LAW LISTS AND LEGAL DIRECTORIES ROUGHLY CLASSIFIED AS TO PRODUCING ABILITY.

Class 1.

Law Lists having back of them an organization for obtaining business for their representatives and entitled to serious consideration:

American Lawyers Quarterly,

American Lawyers Co., Engineers, Bldg., Cleveland, Ohio.
Bonded Attorney,

Association of Bonded Attorneys, 1st National Bank Bldg., Milwaukee, Wis.

Clearing House Quarterly,

The Attorneys National Clearing House Co., Andrus Bldg., Minneapolis, Minn.

C. R. C. Law List,

C. R. C. Law List Co., 111 Broadway, New York, N. Y.

Guaranteed Attorneys List,

United States Fidelity & Guaranty Co.,
Calvert and German Sts., Baltimore, Md.

Martindale Guide (Blue Book),

Martindale Mercantile Agency, Woolworth Bldg.,
New York, N. Y.

Mercantile Adjuster,

Mercantile Adjuster Publishing, Co., Mercantile Bldg.,
St. Louis, Mo.

National List,

The National List, Inc., 2 Albany St., New York, N. Y.

Wilber Directory of Attorneys and Banks,

Wilber Mercantile Agency, 155 N. Clark St., Chicago, Ill.

Class 2.

Law List making an honest effort to obtain business for their representatives and successful to a degree fairly commensurate with their charges, which are less than those in Class 1.

A-A Directory of Attorneys and Banks,

The American Adjusters Directory Co., 1st National Bank Bldg., Cincinnati, Ohio.

American Law List,

American Law List Publishing Co., 2 W. 13th St.,
New York, N. Y.

Associated Trades Law List,

Commercial System Co., Inc., 50 Broad St., New York, N. Y.
Campbell's List,

H. Campbell Co., 140 Nassau St., New York, N. Y.

Columbia Directory of Lawyers and Banks,

The Columbia Directory Co., Inc., 320 Broadway,
New York, N. Y.

Credit Guide & Claim Adjuster,

The Credit Association, 309 Broadway, New York, N. Y.

Eaton's List of Lawyers,

A. L. Eaton Co., Inc., Woolworth Bldg., New York, N. Y.

Haythe Guide,

Haythe Mercantile Agency, Inc., 39 Liberty St.
New York, N. Y.

Lane's Blue Book,
 Lane Publishing Co., Sentinel Bldg., Milwaukee, Wis.
 Lawyers' List, The
 Hubert R. Brown, 70 Fifth Ave., New York, N. Y.
 Merchants' Bank Directory and List of Guaranteed Attorneys,
 Central Guarantee Co., 200 Fifth Ave., New York, N. Y.
 Produce Reporter Co.,
 212 W. Washington St., Chicago, Ill.
 Rand-McNally List of Attorneys-at-Law,
 Rand-McNally & Co., 538 So. Clark St., Chicago, Ill.
 United Agency Attorney & Bank Register,
 United Agency, 1018 So. Wabash Ave., Chicago, Ill.
 United Lawyers' Quarterly,
 City Hall Square Building, Chicago.
 Wright-Holmes List of Lawyers,
 Wright-Holmes Corporation, 258 Broadway, New York, N. Y.

Class 3.

Lists issued as advertising mediums only, and making no appreciable effort to obtain business for their representatives and depending mainly on the circulation of their books for results. Their charges are generally reasonable.

American Legal News,
 American Legal News Corporation, Detroit, Mich.
 Hubbell's Legal Directory,
 The Hubbell Publishing Co., Equitable Bldg., New York, N.Y.
 Russell Law List,
 Eugene C. Worden, Manager, 165 Broadway, New York, N.Y.
 Sharp & Alleman Co.'s Lawyers & Bankers' Directory,
 Sharp & Alleman Co., 9th and Chestnut Sts.,
 Philadelphia, Pa.

Class 4.

Lists that are more or less of an advertising venture.

American Bank Attorneys,
 The American Bank Attorneys, 835 Old South Bldg.,
 Boston, Mass.
 American Bank Reporter and Attorney List,
 Steurer Publishing Co., 5 Beckman St., New York City.
 Attorneys & Agencies Association Legal Directory of Guaranteed Attorneys,
 Attorneys and Agencies Association, 60 Wall St.,
 New York City.
 Baggott & Ryall Directory,
 Ryall Legal Directory Co., 225 5th Ave., New York City.
 Bankers' Directory,
 Bankers Publishing Co., (Bradford, Rhodes & Co.),
 253 Broadway, New York.
 Bankers' Register & Special List of Selected Lawyers,
 (Blue Book) The Credit Co., Pontiac Bldg., Chicago.
 Canada Bonded Attorney & Legal Directory,
 Canada Bonded Attorney & Legal Directory, Ltd.,
 36 Toronto St., Toronto, Canada.
 Canadian Law List,
 Canadian Legal Publishing Co., 24 Adelaide St., E.,
 Toronto, Canada.

- Commercial Adjuster Law List,
The Commercial Adjuster Co., Williamson Bldg.,
Cleveland, Ohio.
- Credit & Audit Company of America, Law List,
(Special Service Bulletin).
The Credit & Audit Co. of America, P. O. Box 1446,
New York, N. Y.
- Davies Legal Directory,
The Davies Bar & Collection Association,
Blymyer Bldg., Cincinnati, Ohio.
- Graft's Legal Directory,
J. A. Graft & Co., Johnston Bldg., Cincinnati, Ohio.
- Kime's International Law Directory,
88-90 Chancery Lane, W. C. London.
- Lovell's, John, Legal Compendium
Lovell & Sons, Ltd., 320 St. Nicholas St., Montreal, Canada.
- Martindale's American Law Directory,
J. B. Martindale, Woolworth Bldg., New York City, N. Y.
- McKillop, Walker & Co., Quarterly Register,
McKillop, Walker & Co., 302 Broadway, New York City.
- National Credit Corporation Bank Directory and Selected List of
Attorneys,
The National Credit Corporation, Title & Trust Bldg.,
Chicago, Ill.
- North American Legal Directory and Bank List,
North American Mercantile Agency Co., 140 Nassau St.,
New York, N. Y.
- Reference Register,
L. Cooper-Mordant, Melbourne, Australia.
- Regenhardt's International Guide,
Regenhardt's Agency, Berlin, Germany.
- Snow-Church Legal & Banking Year Book,
Snow-Church Directory Co., 206 Broadway, New York, N. Y.
- Typo Credit Book,
Typo Mercantile Co., 160 Broadway, New York, N. Y.
- Walters Legal Directory,
Chas. E. Walters & Co., Omaha National Bank. Bldg.
Omaha, Nebr.

Class 5.

Publications hardly reaching the dignity of a List proposition and yet able to exist as valuable publications by reason of literary or other features.

- Bankers Encyclopaedia,
Bankers Encyclopaedia Co., 20 Nassau, New York, N. Y.
- Chicago Daily Law Bulletin,
Chicago Daily Law Bulletin, Chicago.
- Chicago Law Directory,
Gritman & Sullivan, 172 No. LaSalle St., Chicago.
- Directory of Directors,
The Bankers Service Co., 88 Broad St., Boston, Mass.
- Fisher's Probate Law Directory,
Fisher's Probate Law Directory Co., 415 Locust St., St. Louis.

Insurance Year Book,
 The Spectator Co., 135 William St., New York.
 International Cable Register of the World,
 International Cable Directory Co., 59 Pearl St.,
 New York, N. Y.
 Jackson's Real Estate Directory,
 Jay M. Jackson Directory & Publishing Co., Kansas City, Mo.
 Law Publishers Legal Directory,
 Law Publishers Directory Ass'n., Central Bldg., Seattle, Wash.
 Lawyers Diary,
 National Surety Co., 115 Broadway, New York.
 Manufacturers and Wholesalers Association Directory,
 Manufacturers & Wholesalers Ass'n, Kalamazoo, Mich.
 Probate Register,
 Probate Agency, 68 Post St., San Francisco, Cal.
 Trow's N. Y. City Directory,
 R. L. Polk & Co., 87 Third Ave., New York.

Class 6.

Directories that I prefer not to classify.
 Commercial Lawyers Quarterly,
 Commercial Lawyers' Association, St. Louis.
 Dalton's Special Commercial Attorneys Interchange Directory,
 The Mercantile Adjustment Co., Pittsburgh, Pa.
 Empire Legal Directory,
 Empire Law List Publ. Co., New York.
 Lawyers and Bankers Quarterly,
 The Legal Directory Publishing Co., St. Louis, Mo.
 Palmer's Lawyers Directory,
 Dicker & Palmer Publ. Co., 141 W. 36th St., New York.
 The Thomas List,
 Thomas Publ. Co., Howard & Lafayette Sts., New York.

THE PRINCIPAL FORWARDERS OF THE UNITED STATES.

The following names cover the principal forwarders of commercial business in the large business centers when taken in connection with the other lists published in these pages. The names given represent from 75 to 90 per cent of all the business sent from the cities listed:

Akron, Ohio.

ATTORNEYS: Birch, Adams & Ream; Otis, Beery & Otis; Allen, Waters, Young & Andress; Slabaugh, Seiberling & Hube; Musser, Kimber & Huffman; Rockwell & Grant.

Albany, N. Y.

ATTORNEYS: George J. Hatt II, Mills & Mills, Lester T. Hubbard, Charles R. Watson (retail accounts), George H. Zwick (retail accounts).

Atlanta, Ga.

ATTORNEYS: Anderson & Slate, Brandon & Hynds, Chandlers, Thomson & Hirsch, Dodd & Dodd, Walter S. Dillon, Green, Tilson & McKinney, Little, Powell & Goldstein, Mayson & Johnson, Napier, Wright & Wood, Smith, Hammond & Smith.

AGENCIES: Credit Clearing House.

Altoona, Pa.

ATTORNEYS: H. F. Walters, Isaiah Scheiline, Dively & Hemphill, W. Frank Vaughn.

Baltimore, Md.

ATTORNEYS: Musgrave, Bowling & Hall, Johnson, Millikin & Wright, Carmody & Rome, S. H. Lauchheimer, Baldwin & Sappington, W. L. Swink.

AGENCIES: United Merchants of Baltimore, Shriver, Bartlett & Co., Snow-Church & Co., Credit Clearing House.

Birmingham, Ala.

ATTORNEYS: Ritter & Wynn, Thompson, Greene & Thompson, London, Yancey & Brower, Coleman & Coleman, Robert L. Smith, Aldridge & Spain, J. H. Ward, Beddow & Oberdorfer, Isadore Shapiro, Bonner & Mullins.

AGENCIES: Jones Agency, Protective Credit Association.

Boston, Mass.

ATTORNEYS. Jacobs & Jacobs, Horblit & Wasserman, Phipps, Drugin & Cook, J. J. Silverman, A. H. Read, Spaulding & Lewis, Swift, Friedman & Atherton, Spaulding, Baldwin & Shaw, Smith & Rogers, Lloyd Makepeace, Schwartz & Dearborn.

AGENCIES: Credit Clearing House, Shoe and Leather Mercantile Agency, Wilber Mercantile Agency, Creditors' National Clearing House, Lyon Furniture Mercantile Agency, A. A. Bishop, N. E. Law and Adjustment Company, Credit Men's Association.

Buffalo, N. Y.

ATTORNEYS: Gibbons & Pottle, Saferston & McNaughton, Horton & Grandison, R. L. Ball, A. N. McNabb, J. O. Bissell, Lawrence & Lathrop, Martin Clark, Clinton De Groat.

AGENCIES: Cadwallader Collection Company, The Claim Adjuster, H. O. Cobb, Snow-Church Co.

Camden, N. J.

ATTORNEYS: Wilson & Carr, Bleakley & Stockwell, Albert S. Woodruff, Joseph Beck Tyler, Harris & Harris, Ott & Carr, Harry Teitleman.

Canton, Ohio.

ATTORNEYS: Fisher & McCuskey, Clark & Clark, Pomerene, Anibler & Pomerene, Herbruck & Black, McCulloch & Curtis.

Chicago, Ill.

ATTORNEYS: Lewis, Fox & Adelsdorf, Harris Trust Bldg.; Alden, Latham & Young, Corn Exchange Bank Bldg.; Allen & Ward, 105 W. Monroe St.; Baker & Holder, First National Bank Bldg.; Fred A. Bangs, First National Bank Bldg.; Will J. Bell, Blum, Wolfsohn & Blum, Westminstr Bldg.; Booz & Stoll, 38 S. Dearborn St.; James J. Breckenridge, 5 N. LaSalle St.; Ben N. Breeding, Conway Bldg.; Hiner, Bunch & Latimer, Harris Trust Bldg.; Osborne, Cloud & Stephens, Westminster Bldg.; C. C. Collins, 108 S. LaSalle St.; Huff & Cook, 30 N. LaSalle St.; Stephen A. Cross, Culver, Andrews, King

& Cook, New York Life Bldg.; Charles Daniels, Marquette Bldg.; Dulsky & Dulsky, 29 S. LaSalle St.; Eastman, White & Hawxhurst, 108 S. LaSalle St.; Edward L. England, Otis Bldg.; Max J. Farber, First National Bank Bldg.; Felsenthal & Wilson, 69 W. Washington, St.; Cratty Bros. & Flatau, City Hall Square Bldg.; Musgrave, Oppenheim & Lee, First National Bank Bldg.; Heldman & Graff, 108 S. LaSalle St.; Nathan Haffenberg, 29 S. LaSalle St.; Haight, Brown & Haight, The Rookery; William Helfand, 105 W. Monroe St.; Frank M. Hickok, 5 S. Wabash Ave.; Fred B. Hovey, Chicago Title & Trust Bldg.; Maddock & Jaffre, 39 S. LaSalle St.; Adolph M. Schwarz, First National Bank Bldg.; Howe, Fordham & Kreamer, Tribune Bldg.; Rosenthal, Kurz & Houlihan, Continental & Commercial Bank Bldg.; Harry C. Levinson, 29 S. LaSalle St.; Lipson & Levy, Fort Dearborn Bldg.; Helmer, Moulton, Whitman & Whitman, 110 S. Dearborn St.; Vose & Page, Marquette Bldg.; Shepard, McCormick, Thomason, Kirkland & Patterson, Tribune Bldg.; Teller, Hart & Pennish, 8 S. Dearborn St.; Gregory, Popenhagen & McNabb, 69 W. Washington St.; J. Walter Stead, Borland Bldg.; Daniel S. Wentworth, 110 S. Dearborn St.; Franklin N. Wood, First National Bank Bldg.; Ziska & Sheridan, 105 W. Monroe St.

AGENCIES: Moulding & Picture Frame Manufacturers' Credit Bureau, 29 S. LaSalle St.; Produce Reporter Co., 212 W. Washington St.; Burns & Burns, 30 N. LaSalle St.; Francis A. Campbell, 2550 Michigan Ave.; Meacham Mercantile Agency, 1204 E. 47th St.; The Coykendall Mercantile Agency, 25 E. Washington St.; United Agency, 1018 S. Wabash Ave.; McIlvaine Adjustment Co., Harris Trust Bldg.; Snow Church Co. of Chicago, 39 S. LaSalle St.; Federal Adjustment Co., Otis Bldg.; Wholesalers' Adjustment Bureau, 29 S. LaSalle St.; Lyon Furniture Agency, 910 S. Michigan Ave.; Graham Adjustment Bureau, Associated Credit & Collection Agency, 537 S. Dearborn St.; Credit Insurance Adjustment Co., 134 S. LaSalle St.; Adjustment Company of America, 38 S. Dearborn St.; Wholesale Saddlery Association of U. S., 30 N. LaSalle St.; Credit Clearing House, 326 W. Madison St.; Martindale Mercantile Agency, Fisher Bldg.; Foreign Law & Collection Agency, 29 S. LaSalle St.; Edward Solomon, Inc., First National Bank Bldg.; Shoe & Leather Mercantile Agency, 19 S. Wells St.; Associated Credit and Collection Agencies, 537 S. Dearborn St.; Merchants & Tradesmen's Commercial Agency, Association Bldg.; Edward Waterhouse & Co., 326 W. Madison St.; Wilber Mercantile Agency, 155 N. Clark St.; Wilson & Buckley, Adjustment Co., Straus Bldg.; R. G. Dun & Co., Adjustment Bureau of Chicago Association of Credit Men.

Chattanooga, Tenn.

ATTORNEYS: Moore & Darwin, Sidney B. Wright, C. A. Noone, Allison, Lynch & Phillips, C. E. Carpenter, Finley, Campbell & Coffey.

AGENCIES: The Adjustment Bureau of the Chattanooga Association of Credit Men.

Cincinnati, Ohio.

ATTORNEYS: Edward H. Brink, Burch, Peters & Connolly, Cobb, Howard & Bailey., Herbert L. Jackson, Johnson & Levy, Matthews & Matthews, John L. Ritchie, Sibbald & Woeste, Wolf & Bailey.

AGENCIES: Credit Clearing House, W. F. Landwehr's Law and Collection Agency, National Collection Agency, Oliver & Kent, Powers' Adjustment Co., L. Roescher Collecting Co.

Cleveland, Ohio.

ATTORNEYS: White, Johnson, Cannon & Neff, Weed, Miller & Rothenbery, Bardwell & Hagenbach, L. J. Grossman, Stearns, Chamberlain & Royan, Thomsen, Hine & Flory.

AGENCIES: Credit Clearing House, National Adjustment Co.

Columbus, Ohio.

ATTORNEYS: Watson, Stauffer, Davis & Gearhart; Morton, Irvin, Turner & Blanhard; Hedges, Hoover & Tingley; Gamble & Gamble, Frank M. Raymond.

AGENCIES: Columbus Commercial Exchange, United Adjustment Co., O. C. Ingalls.

Dallas, Texas.

ATTORNEYS: Davis, Johnson, Golden & Handley. Saner, Saner & Turner; Burgess, Burgess, Chrestman & Brundidge; Seay & Seay, Leake & Henry.

AGENCIES: Southwestern Mercantile Agency, R. E. Bramlett & Co., T. E. Blanchard & Co., Credit Clearing House.

Davenport, Iowa.

ATTORNEYS: Murphy & Sampson, Isaac Petersburger, Cook & Balluff, Ely & Bush, Carroll Bros., Ficke & Ficke, Chas. B. Kaufman, Alfred C. Mueller, Hugh Webster.

AGENCIES: National Adjustment Co.

Dayton, Ohio.

ATTORNEYS: Burkhardt, Heald & Pickrel, Lenz, Sigler & Denlinger, R. O. Bauman, Turner & Turner, James & Coolidge, Aikman & Oldham, Matthews & Matthews, Focke & Schaeffer.

Denver, Colo.

ATTORNEYS: Dana & Blount, Rogers, Ellis & Johnson, Peters & Barker, Zimmerhackle & Avery, Everett Owens, Preston H. Barker, Garwood & Garwood, John Hipp, Hindrey, Friedman & Brewster, Andrus & Andrus.

AGENCIES: Colorado Credit Service Adjustment and Collection Co, Capital Collection Co., Allards Collection Service, American Medical and Dental Association, American Credit Rating Co., City Service Co., Creditmen's Adjustment Co., Credit Adjustment Co., Denver Creditors' Service, S. T. Hawthorne Adjustment Co., C. J. Houston & Co., Kraus-Frost Mercantile Agency, Merchants' Collection Agency, T. D. Ross & Co., Stiles Collection Co.

Des Moines, Iowa.

ATTORNEYS: Charles F. Maxwell, Coffin & Rippey, A. W. Brett, Domback, Granger & Ingleman, Wessells & Wessells, D. J. Cavanaugh, Charles Snyder.

Detroit, Mich.

ATTORNEYS: Clark, Emmons, Bryant & Klein, Selling & Brand, Burns & McMahon, Welsh, De Foe & Kahn, Anderson, Wilcox & Lacy, Frank Lawhead, Butzel & Butzel, Willis, Griffin, Seely & Streeter, Glicman, Lindley & Morden, E. A. Rich.

AGENCIES: Bonded Adjustment Co., Wilber Mercantile Agency, A. M. Schwarz, Credit Clearing House.

Elizabeth, N. J.

ATTORNEYS: Frank A. English, W. W. Bender, D. P. Lum.

Erie, Pa.

ATTORNEYS: Shreve & Shreve, Marsh & Eaton, Kitts, Duff & Cornell, W. J. Young, William E. Hirt, A. W. Mitchell, H. A. Strong, C. T. Bryan, Robert J. Firman, Gunnison, Fish, Gifford & Chapin.

Evansville, Ind.

ATTORNEYS: Edmund L. Craig, Paul H. Schmidt, Walker & Walker, William P. Miedreich, Charles F. Werner.

AGENCIES: There are several, but controlled by attorneys named above.

Fort Wayne, Ind.

ATTORNEYS: Heaton & Heaton, Vesey & Vesey, Somers & Kennerk, Charles M. Niezer, Breen & Morris, Barrett, Morris & Huffman, W. H. Shambaugh, Fred Shoaff.

AGENCIES: Merchants' Credit and Collection Agency, National Adjustment Co.

Fort Worth, Tex.

ATTORNEYS: Dedmon, Potter & Pinney, Isaacs, Agerton & Isaacs, McGown & McGown, Simon & Smith, Wray & Mayer.

Grand Rapids, Mich.

ATTORNEYS: Clapperton, Owen & Hatten, Boltwood & Boltwood, Hilding & Hilding, Rolland J. Cleland, Eastman & Eastman, Hatch, McAllister & Raymond, Corwin & Norcross.

AGENCIES: Snow-Church Co. (Boltwood & Boltwood).

Harrisburg, Pa.

ATTORNEYS: Job J. Conklin, George L. Reed, Harry Bretz, Robert Rosenberg, ickersham & Metzgar, Arthur H. Hull.

Hartford, Conn.

ATTORNEYS: John J. Dwyer, A. C. Bill, Terry J. Chapin, Jas. B. Henry, Lawrence A. Howard, Henry H. Hunt, Joseph I. Kopelman.

Indianapolis, Ind.

ATTORNEYS: Henley, Bamberger, Feibleman & Joseph; Bamberger, Simon & Davis; Pickens, Cox & Conder; Albert Asche, Orbinson & Olive, Roemler & Chamberlin, Gavin & Gavin, Holtzman & Coleman.

Jersey City, N. J.

ATTORNEYS: Hartshorne, Insley & Leake, Frank J. Higgins, Vredenburg, Wall & Carey, Heyman & Heyman, Young &

Margolies, Arthur Archibald, Max T Rosenberg, Sieden & Milberg.

Kansas City, Kan.

ATTORNEYS: George W. Littick, McAnany & Alden, Brady & Henning, Hogin & Hubbard, Carson & Carson, Emerson & Smith.

Kansas City, Mo.

ATTORNEYS: Edwards, Kramer & Edwards; Piatt & Marks, Ellis & Yale, Williams, Griffin & Field; Carl H. Langknecht, New, Miller, Camack & Winger; Krauthoff, McClintock & Quant; Burke & Kimpton, Capron, Butcher & Knoop; Lathrop, Morrow, Fox & Moore; Ellis, Cook & Barnett.

AGENCIES: Credit Clearing House.

Louisville, Ky.

ATTORNEYS: James R. Duffin, Burnett, Batson & Cary; Walsh & Godfrey, Gifford & Steinfeld, W. W. Watts; M. A., D. A. & J. G. Sachs; Rueben Ruthenberger, Thum & Roy, Charles Fitzgerald, Harrison & Harrison.

AGENCIES: Credit Clearing House.

Little Rock, Ark.

ATTORNEYS: Hinton, Rogers & Barber, Richard M. Mann, Poe, Poe & Elms, John F. Clifford, Green, Kelly & Gurley.

Los Angeles, Cal.

ATTORNEYS: Bicksler, Smith & Parker, W. T. Craig, Coyne & Coyne, Adams, Adams & Binford, E. T. Sherer, R. B. Turnbull, Bowen & Bailie, Sanson & Morris, Mulford & Dryer, John A. Wallis.

AGENCIES: Los Angeles Wholesalers' Board of Trade, California Mercantile and Bond Co., W. H. Holmes & Co., National Protective Agency, H. G. Bittleston Law and Collection Agency.

Lowell, Mass.

ATTORNEYS: Eugene W. Hunt, John A. Crowley, Edw. J. Fisher, Warren W. Fox, H. G. Hill, J. J. Kerwin, D. J. Murphy, J. F. Owens, J. E. O'Donnell, Qua, Howard & Rogers, T. G. Robbins, R. B. Walsh.

Lynn, Mass.

ATTORNEYS: Charles W. Lovett, Wadleigh & Shaw, Peter A. Breen, L. B. Colbert.

(Note.—The shoe business of this city is largely controlled by the Shoe and Leather Mercantile Agency, Boston; Wilber, and other Boston agencies).

Manchester, N. H.

ATTORNEYS: Frank C. Livingston, Jones, Warren, Wilson & Manning, P. H. Sullivan, James A. Broderick, Osgood & Osgood.

Memphis, Tenn.

ATTORNEYS: Burkhardt, Dean & Haun, L. T. Fitzhugh, Bank & Harrelson, McDonald & McDonald, W. P. Biggs, Anderson & Crabtree.

Minneapolis, Minn.

ATTORNEYS: Allen & Fletcher, Henderson, Wunderlich, Brandebury & Stiles, Henry Deutsch, H. G. Amick, Joss & Ohman, Todd & Nye, Dodge & Webber, Fifield & Finney, Morris & McLaughlin

Milwaukee, Wis.

ATTORNEYS: Bloodgood, Kemper & Bloodgood; Bottum, Bottum, Hudnall & Lecher; Alexander & Burke (American Adjustment Co.), S. Fred Wetzler, Nathan W. Klein (Klein Adjustment Co.), Fish, Marshutz & Hoffman; Charles Friend, N. M. Stein, L. B. Lanfrom, Aarons & Niven, Robinson & Salzstein.

AGENCIES: Credit Clearing House.

Nashville, Tenn.

ATTORNEYS: Manier & Crouch, L. R. Campbell, W. B. Marr, S. Andrews, Stokes & Stokes, Louis Leftwich, George M. Thomas, Thomas G. Watkins.

AGENCIES: Snow, Church & Co., Mercantile Collection Co., W. E. Jackson & Co., James-Sanford Agency, Grocers and Merchants' Bureau.

Newark, N. J.

ATTORNEYS: Furst & Furst, J. Tracy Horton, Stallman, Hoover & Peck, Bilder & Bilder, Payne & McCall, William Harris.

AGENCY: George S. Kaighn.

New Bedford, Mass.

ATTORNEYS: J. A. Briggs, Cook, Brownell & Taber, Perry, Jenny & Potter, Homer A. Hervey, Samuel Barnet, Mayhew W. Hitch, H. E. Woodward, Otis & Leary, Frank Vera, Jr., Edward E. Clarke, Asa Auger.

New Britain, Conn.

ATTORNEYS: Morris D. Saxe, Kirkham & Cooper.

New Orleans, La.

ATTORNEYS: Dart, Kernan & Dart, Claude L. Johnson, Sol Weiss, Laurence M. Janin, Ernest T. Florance, E. J. Thilborger, Joseph H. Brewer, Hall, Monroe & Lemann.

AGENCIES: Credit Clearing House.

Norfolk, Va.

ATTORNEYS: Agelasto & Miller, Wolcote & Langford, Baird & Swink.

Omaha, Neb.

ATTORNEYS: McGilton, Gaines & Smith; Ferdenburg, Van Orsdel & Matthews; Montgomery, Hall & Young; Baldrige & Keller, Pratt & Wellman; Crane, Boucher & Sternberg; Gerald M. Drew.

AGENCIES: Russell Adjustment Co., Acme Adjustment Co., American Adjusting Co., Business Men's Adjustment Co., C. & C. Bonded Collection Co., National Adjustment Co., Phoenix Mercantile Bureau, Tri-City Mercantile Agency, Charles E. Walters & Co., Credit Clearing House.

Passaic, N. J.

ATTORNEYS: Ranzenhofer & Ranzenhofer, Weinberger & Weinberger.

Paterson, N. J.

ATTORNEYS: Horton & Tilt, Freeman & Westerhoff, Wayne Dumont.

(Note.—This city is a one-industry city—silk manufacturing. This business is controlled in New York.

Peoria, Ill.

ATTORNEYS: Covey, Campbell & Covey, Kirk & Shurtleff, Jack, Irwin & Jack, Mansfield & Cowan, McRoberts & Morgan.

Portland, Ore.

ATTORNEYS: Beach, Simon & Nelson, Bauer, Greene & McKercher, Hamilton Johnstone, George Alexander, Christoferson & Matthews, Gus C. Moser, H. S. McCutcheon, Ralph A. Coan, R. L. Sabin, Hurburt & Layton, Laidlaw & Owen.

Philadelphia, Pa.

ATTORNEYS: Carr & Steinmetz, Reber & Bertram, D. Rearick, Harry S. Mesirov, Morris & Kirby, Granger, Levi & Mandel; Wessel, Byron, Longbottom & Pape; Conard, Middleton & Orr; L. Bennett, Alfred Aarons, Jos. Sternberger, Fox & Rothschild, Illoyay & Felix, Wm. S. Funst, Samuel W. Cooper. AGENCIES: Shriver Barlett Co., Snow Church Co., The Mundorf Corporation, Edmund S. Mills; Kent Corporation, Shoe and Leather Mercantile Agency, Lyon Furniture Mercantile Agency, Creditors' Protective Association, Masters & Webber, Credit Clearing House.

Pittsburgh, Pa.

ATTORNEYS: Morris, Walker & Boyle; Stonecipher & Ralston, Abraham Seder, Gearing & Riggs, Pettes, Tyrrell & Bracken; Kaufman & Roe. AGENCIES: Tebbetts, Inc.; Pittsburgh Commercial Exchange, Union Adjustment Co., Federal Adjustment Co., United Mercantile Co., Kemble & Mills, Snow, Church & Co.; Darragh Co., Credit Adjustment Co., Sarver & Ames, Credit Clearing House.

Portland, Me.

ATTORNEYS: Harry L. Cram, George F. Gould, George F. Noyes, C. F. Robinson, M. E. Rosen.

Richmond, Va.

ATTORNEYS: Jo Lane & Cary Ellis Stern, Price & Louthan, S. S. P. Patteson, Rawley & Rawley, H. W. Goodwyn, Raleigh Phillips. AGENCY: Bureau of Collections.

Rochester, N. Y.

ATTORNEYS: Adler & Adler, Plumb & Plumb, Burns & Burns, Harry Otis Poole, Eugene M. Strouse, Samuel Marine, Edward L. Cleary, Averill & Tompkins, Wile, Oviatt & Gilman. AGENCIES: Snow-Church Co., Snow Mercantile Agency, Seiler Mercantile Agency, William C. Rugg Co., Credit Clearing House.

Sacramento, Cal.

ATTORNEYS: Johnson & Lemmon, White, Miller, Needham & Harber, J. T. Pullen, Hatfield & Hatfield, Gebhart & McAllister, Meredith, Landis & Chester.

St. Joseph, Mo.

ATTORNEYS: Spencer & Landis, George E. Groves, W. N. Linn, J. B. Shackelford, Warren Rogers, Horace Merritt.

AGENCIES: Snow-Church Collection Co. (Spencer & Landis, attorneys), Mercantile Law Co., Reese Adjustment Co.

St. Louis, Mo.

ATTORNEYS: Abbott & Edwards, Grant & Grant, H. A. & H. S. Gleick, Fagin & Kane, Sanders & Forgey, Wilson & Trueblood, Gatewood & Lee.

AGENCIES: The Credit Clearing House, Sipple Adjustment Co., Adjustment Bureau of St. Louis, Creditmen's Association, Snow-Church Adjustment Co.

St. Paul, Minn.

ATTORNEYS: Morphy, Bradford & Cummins; Orr, Stark & Kidder; O'Brien & Epp, Henderson & Miller, Sylvan E. Hess.

Salt Lake City, Utah.

ATTORNEYS: Booth, Lee, Badger & Rich; Skeen & Skeen, Stewart, Stewart & Alexander.

AGENCIES: Merchants' Protective Association (this concern makes a specialty of "bad debts").

San Francisco, Cal.

ATTORNEYS: Henry G. W. Dinkelspiel, Willard P. Smith, Jacobs & Oliver, Rothschild, Golden & Rothschild, Lloyd S. Ackerman, Robert S. Norman, Monte A. Dernham, Nowlin, Fassett & Little, Herrington & Clausen, Dunn, White & Aiken, Asher, Meyerstein & McNutt, Samuel T. Bush, R. N. McConnell, Leopold Oppenheimer, Henry A. Jacobs.

AGENCIES: Credit Clearing House.

Savannah, Ga.

ATTORNEYS: O'Byrne, Hartridge & Wright, Hitch & Denmark, W. W. Gordon, Jr., G. W. Owens, Edwards & Lester, Gerard M. Cohen, H. P. Cobb, M. H. Bernstein.

Scranton, Pa.

ATTORNEYS: Aaron V. Bower, Welles & Torrey, Wm. H. Jesup, Lee P. Stark, Beers & Grambs, Houck & Benjamin, Wilcox & Wilcox, Watson, Diehl & Watson; James J. O'Malley, E. A. Adair, H. C. Hubler, H. D. Carey, E. A. Delaney, Harry Needle, Donnelly & Sanderson, J. M. Walker.

Seattle, Wash.

ATTORNEYS: McClure & McClure, Cassius E. Gates, L. M. Stern, Crowder & Crowder, Grinstead & Laube.

AGENCIES: Credit Service Corporation, Merchants' Collection Agency, U. S. Adjustment Co.

Sioux City, Iowa.

ATTORNEYS: Munger & Maennel, Carter, Brackney & Carter, Schmidt & Pike, Sears, Snyder & Boughn, Milchrist, Scott & Pitkin.

AGENCIES: American Adjustment Agency, Inter-State Adjustment Co., Tri-State Adjustment Co.

South Bend, Ind.

ATTORNEYS: Thad M. Talcott, Jr., D. M. Shively, Rich & Pyle, Seibert & Shurtz, Hibbard & Martin, Frank Gilmer.

Spokane, Wash.

ATTORNEYS: Belden & Belden, Tolman & King, Mark F. Mendenhall, Herbert Kimball, Harry L. Cohn, Merrit, Lantry & Merritt, Danson, Williams & Danson, Post, Avery, Russell & Higgins, Smith & Mack,, Hamblen & Gilbert.

Springfield, Ill.

ATTORNEYS: Robert Matheny, Conklin & Irwin, George B. Gillespie, Warren Lewis, James R. Orr, George E. Ayres.

AGENCIES: William B. Chittenden, Susan Minnemeyer, National Mercantile Agency, Springfield Collection Agency, Francis Collection Agency.

Syracuse, N. Y.

ATTORNEYS: Edgar F. Brown, Lee & Brewster, Tracy, Chapman & Tracy, Benj. Stolz, Godelle, Harding, Young, Farmer & Daley, Wilson, Cobb & Ryan, Costello, Burden, Cooney & Walters Northrup, Tooke, Lynch & Carlson, George C. Cole.

AGENCIES: Several controlled by attorneys named.

Tacoma, Wash.

ATTORNEYS: M. McElroy, A. P. Marx, H. Conyer, Charles Lyons, H. P. Jones, W. W. Keys, J. L. Snapp, T. J. Wayne, H. E. Washburn.

Terre Haute, Ind.

ATTORNEYS: Joseph P. Duffy, A. L. Miller, Miller, Kelley & Johnson, Stimson, Stimson, Hamill & Davis.

Toledo, Ohio.

ATTORNEYS: Hall, Flowers & Cotter, Fritsche, Kruse & Winchester, Kirkbride, McCabe & Flory, R. S. Holbrook, Elmer E. Davis, Smith, Beckwith & Ohlinger.

Trenton, N. J.

ATTORNEYS: Willis P. Bainbridge, W. Holt Apgar, Long & Conard, Hutchinson & Hutchinson.

Troy, N. Y.

ATTORNEYS: Roy H. Palmer, Betts & Draper, Thomas H. Guy (Harold W. Turner), F. C. Claessens, John J. Kennedy.

Utica, N. Y.

ATTORNEYS: Grant & Wager, Southworth & Scanlan, Colegrove & Baker, Abram G. Senior, Kernan & Kernan, Dunmore & Ferris, Miller & Fincke, Lee & Dowling.

AGENCY: Merchants' Mercantile Agency.

Washington, D. C.

There is little business forwarded from this city. Probably those who handle the bulk of what is sent are:

ATTORNEYS: Lucas P. Loving, Brandenburg & Brandenburg, H. Winship Wheatley, Tucker, Kenyon & Macfarland.

AGENCIES: The Creditmen's Adjustment Bureau, Bonded Collection Agency, Cullen's Service, Federal Adjustment Co., Mutual Adjustment Co., National Adjustment Agency, Simon's Collection Agency.

Waterbury, Conn.

ATTORNEYS: O'Neill, O'Neill & O'Neill, Bronson, Lewis & Hart, Carmody, Monagan & Larkin, Frank P. Guilfrile, Philip N. Bernstein.

Wichita, Kan.

ATTORNEYS: Vermillion, Evans, Carey & Lilleston, E. L. Foulke, Nofztger & Gardner, Blake, Ayers & McCorkle.

Wilmington, Del.

ATTORNEYS: C. L. Ward, Townsend & Toykis, Lenard E. Wales, Marvel, Marvel, Layton & Goldsborough, Edmund S. Hellings.

Worcester, Mass.

ATTORNEYS: Charles T. Tatman, Harrison W. Bowker, Thayer, Smith & Gaskill, Cowee & Fletcher, L. E. Feingold, Taft & Stobbs, Mirick & Blackmer, Harvey L. Woodward, M. L. Katz, Sibley, Sibley & Blair.

AGENCIES: Commercial Credit Co., Worcester Chamber of Commerce, Mercantile Clearing House.

Youngstown, Ohio.

ATTORNEYS: McKain & Ohl, W. W. Zimmerman, L. J. Shulman, John B. Morgan, Dornan & Huffman.

THE LEADING FORWARDING LAW FIRMS AND AGENCIES OF NEW YORK.

Commercial Collection and Adjustment Co., 1123 Broadway.
Credit Association Building Trades of New York, 120 Broadway.
Drug, Chemical and Allied Trades Protective Association, 110 Nassau.

Federal Mercantile Agency, 27 Cedar St.

Colonial Adjustment Co., 41 Park Row.

Credit Ins. Adjustment Co., 55 John St.

Dolan Adjustment Co., 127 Duane St.

Stone Adjustment Bureau, 55 John St.

Nathaniel Walkof, 366 Broadway.

Wholesalers' Adjustment Co., 299 Broadway.

Eastern Millinery Association, 200 Fifth Ave.

W. L. Finn & Co., 220 Broadway.

Associated Merchants of New York, 346 Broadway.

F. W. Baldwin & Co., 253 Broadway.

Brouse & Hess, 261 Broadway.

Bush & Sergeant, Inc., 29 Broadway.

Max Cederbaum, Woolworth Building.

Montague D. Cohen & Co., 171 Madison Ave.

Creditors' Audit Collection Bureau, 41 Union Square

Haberman & Co., 320 Broadway

McKillop, Walker & So., 302 Broadway.
John A. Morison, 41 Park Row.
National Clearing House of New York, 302 Broadway.
F. T. Rand & Co., 320 Broadway.
Ryan & Wood, 277 Broadway.
Sarver & Ames, 299 Broadway.
Harry J. Schultz, 299 Broadway.
Herman Steinberg, 45 Cedar St.
Sutphin & Kinney, 2 Rector St.
Despatchers' Collection Agency, 320 Broadway.
Frank & Arnold, 320 Broadway.
Confectioners' Mercantile Agency, 309 Broadway.
Credit Association, 309 Broadway.
Credit Clearing House of New York, 440 Fourth Ave.
R. G. Dun, & Co., 290 Broadway.
Lumbermen's Credit Association, 80 Maiden Lane.
Lyon Furniture Mercantile Agency, 160 Broadway.
Martindale Mercantile Agency, 227 Broadway.
Merchants' Credit Guide Co., 21 Park Row.
Oil Trades' Credit Bureau, 299 Broadway.
Red Book Furniture Agency, 280 Broadway.
Shoe and Leather Mercantile Agency, 127 Duane St.
Stationers and Publishers' Board of Trade, Inc., 97 Broadway.
Trochman Clearing Credit Co., 220 Fifth Ave.
Typo Mercantile Agency, 160 Broadway.
Wilber Mercantile Agency, 299 Broadway.
L. C. Mott & Co., 320 Broadway.
National Association of Clothiers, 13 Astor Place.
Material Men's Mercantile Association, 41 Park Row.
Loraine Collection Agency, 309 Broadway.
Leaf Tobacco Board of Trade, 141 Maiden Lane.
Kemble & Mills, 381 Fourth Ave.
Hope & Lambden, 38 Park Row.
Collection Alliance, 656 Broadway.
Merchants' Credit Adjustment Co., 366 Broadway.
Merchants' Credit Protective Association, 346 Broadway.
Merchants' Protective Association, 346 Broadway.
American Clothing Manufacturers' Association, 742 Broadway.
Wholesale Grocers and Bakers' Association, 1451 Broadway.
Credit Men's Collection Bureau, 1733 Broadway.
Cloak, Suit and Skirt Manufacturers' Association, 220 Fifth Ave.
Charles B. Hobbs, 60 Broadway.
George F. Kaiser, attorney, 52 Broadway.
Bowman & Shea, 416 Broadway.
Crockery Board of Trade, 126 Fifth Ave.
Lace and Embroidery Association, 949 Broadway.
W. B. Stevens, 200 Fifth Ave.
Fur Men's Association, 220 Fifth Ave.
Nat. Ottensoser, 235 Fifth Ave.
Harold R. Lhowe, 320 Broadway.
Woods' Dry Goods Commercial Agency, 320 Broadway.
Commercial Adjustment Co., 346 Broadway.
E. R. Danforth, 346 Broadway.
Mark E. Goldberg, attorney, 350 Broadway.
Goldstein & Goldstein, attorneys, 366 Broadway.

Hardware Board of Trade, 291 Broadway.
 Adolph M. Schwartz, attorney, 299 Broadway.
 Lesser Bros., attorneys, 299 Broadway.
 L. L. & E. V. Levy, attorneys, 309 Broadway.
 B. F. Nathan, 309 Broadway.
 Weil & Purvin, 309 Broadway.
 Hastings & Gleason, 258 Broadway.
 Yankauer & Davidson, attorneys, 261 Broadway.
 Israel & Schurman, 51 Chamber St.
 Neufeld & Leiman, attorneys, 291 Broadway.
 Max Rosenfeld, attorney, 291 Broadway.
 F. M. Leonard, 291 Broadway.
 Kaye Adjustment Co., 38 Park Row.
 Guy W. Rollo, 154 Nassau St.
 Marks & Marks, 63 Park Row.
 Samuel Kahan, attorney, 63 Park Row.
 Clarence McMillan, attorney, 233 Broadway.
 Iron and Steel Board of Trade, 233 Broadway.
 Denman & Dixon, attorneys, 170 Broadway.
 Weissberger & Leichter, attorneys, 99 Nassau St.
 William Folsom & Strauss, attorneys, 55 John St.
 Emanuel Goodman, attorney, 132 Nassau St.
 Lehmaier & Pellett, attorneys, 132 Nassau St.
 John H. Porter, attorney, 140 Nassau St.
 American Cred. Indemnity, 91 West St.
 Julius Fischer, attorney, 35 Nassau St.
 Herman Goldman, attorney, 120 Broadway.
 Franz Neilson, attorney, 120 Broadway.
 Blau, Zalkin & Cohn, 170 Broadway.
 Raymnood Hull Noble, attorney, 55 Liberty St.
 Boyd & Boyd, 45, East Seventeenth St.
 Loew & Galloway, attorneys, 299 Broadway.
 Murphy & Fultz, attorneys, 37 Wall St.
 National Wholesale Lumber Dealers' Protective Association, 36
 Broadway.
 Adjustment Corporation, Woolworth Building.
 Bradstreet Collection Bureau, 111 Broadway.
 Wholesale Men's Furnishings Association, 200 Fifth Ave.
 John B. Wentworth, 33 Union Square.
 Union Collection and Reporting Association, 341 Fifth Ave.
 Marshall N. Thayer, 310 Broadway.
 Sutphin & Kinney, 2 Rector St.
 North American Mercantile Agency, 140 Nassau St.
 F. G. Coates, 132 Nassau St.

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